REEL 33

NO. 33

STATE OF WISCONSIN

SECRETARY OF STATE

RAILROAD MORTGAGES

VOL. 33

414.53

182692

380

RELEASE DEED

releasing the Mortgage dated December 1, 1922, executed by Eastern Wisconsin Electric Company to Continental and Commercial Trust and Savings Bank and William P. Kopf, as Trustees, and the indentures supplemental thereto.

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, Eastern Wisconsin Electric Company, a Wisconsin corporation, heretofore executed and delivered to Continental and Commercial Trust and Savings Bank, an Illinois corporation, and William P. Kopf, as Trustees, its certain Indenture of Mortgage or Deed of Trust (herein referred to as the "Mortgage"), dated December 1, 1922, to secure the payment of its bonds, which Mortgage has been recorded in the office of the Secretary of the State of Wisconsin on February 1, 1923, in Volume 21 of Railroad Mortgages at page 323 and in certain counties in the State of Wisconsin as follows, to-wit: in Dane County on July 7, 1924, in Volume 320 of Mortgages at page 416; in Fond du Lac County on January 27, 1923, in Volume 208 of Mortgages at page 136; in Marathon County on January 27, 1923, in Volume 138 of Mortgages at page 68; in Monroe County on July 10, 1924, in Volume 87 of Mortgages at page 286; in Juneau County on July 9, 1924, in Volume 75 of Mortgages at page 408; in Vernon County on July 9, 1924, in Volume 63 of Mortgages at page 417; in Winnebago County on January 27, 1923, in Volume 365 of Miscellaneous Mortgages at page 1; in Waushara County on July 9, 1924, in Volume 30 of Mortgages at page 391; in Portage County on July 9, 1924, in Volume 70 of Mortgages at page 1; in Sauk County on July 9, 1924, in Volume 80 of Mortgages at page 1; in Columbia County on July 9, 1924, in Volume 100 of Mortgages at page 351; in Rock County on July 7, 1924, in Volume 175 at page 140; in Langlade County on January 27, 1923, in Volume 135 of Mortgages at page 513; in Green County on July 8, 1924, in Volume 70, at page 417; in Grant County on July 8, 1924, in Volume 106 of Mortgages at page 31; in LaFayette County on July 8, 1924, in Volume 62 of Mortgages at page 181; in Iowa County on July 8, 1924, in Volume 71 of Mortgages at page 145; in Sheboygan County on January 27, 1923, in Volume 129 of Mortgages at page 107; in Green Lake County on July 8, 1924, in Volume 45 of Mortgages at page 460; in Marquette County on July 8, 1924, in Volume 28 of Mortgages at page 390; in Dodge County on July 9, 1924, in Volume 166 of Mortgages at page 155; in Richland County on July 9, 1924, in Volume 13 of Mortgages at page 341; in Jefferson County on June 9, 1926, in Volume 160 of Mortgages at page 80; in Shawano County on January 9, 1928, in Volume 198 of Records at page 358; in Waupaca County on January 24, 1928, in Volume 123 of Mortgages at page 179; in Adams County on January 9, 1928, in Volume 48 of Mortgages at page 388; in Manitowoc County on January 29, 1929, in Volume 147 of Mortgages at page 2; in Kenosha County on March 14, 1930, in Volume 143 of Mortgages at page 1; in Walworth County on March 10, 1930, in Volume 165 of Mortgages at page

12; and in Wood County on March 10, 1930, in Volume 99 of Mortgages at page 558; and

WHEREAS, the company has, since the execution of the above Mortgage, executed and delivered to the trustees under the Mortgage certain supplemental indentures dated, respectively, as follows: September 1, 1923, May 1, 1924, July 1, 1924, August 11, 1924, December 1, 1925, December 15, 1925, May 1, 1926, May 15, 1926, November 15, 1927, December 1, 1928, July 1, 1931, and May 1, 1932 (First Wisconsin Trust Company being also a party to the supplemental indentures dated, respectively, July 1, 1924, December 15, 1925, May 15, 1926, and November 15, 1927); and

WHEREAS, the name of the mortgagor, by amendment to its Articles of Organization filed April 15, 1924, in the office of the Secretary of State of Wisconsin, has been changed from Eastern Wisconsin Electric Company to Wisconsin Power and Light Company; and

WHEREAS, Continental and Commercial Trust and Savings Bank was consolidated with Continental and Commercial National Bank of Chicago on December 1, 1927, under the name of Continental National Bank and Trust Company of Chicago, pursuant to the Acts of Congress in such case made and provided, a certificate of which consolidation was duly filed with the Comptroller of the Currency of the United States and with the Auditor of Public Accounts of the State of Illinois, and with the Recorder of Deeds of Cook County, Illinois, by virtue of which consolidation said Continental National Bank and Trust Company of Chicago became and at all times since has been successor to said Continental and Commercial Trust and Savings Bank as Trustee under said Mortgage; and

WHEREAS, under date of September 30, 1935, William P. Kopf resigned as Co-Trustee under said Mortgage and by an appropriate instrument executed pursuant to said Mortgage under date of October 2, 1935, and duly recorded, Harold P. Smith was appointed Co-Trustee under said Mortgage to succeed William P. Kopf, resigned; and

WHEREAS, all the bonds and coupons issued under and secured by said Mortgage have been paid, cancelled and discharged or the necessary funds for the redemption and payment thereof have been deposited with the undersigned, Continental National Bank and Trust Company of Chicago, as Trustee under the Mortgage;

NOW, THEREFORE, said Continental National Bank and Trust Company of Chicago and Harold P. Smith, as Trustees under said Mortgage, in consideration of the premises and pursuant to the authority vested by the Mortgage in the said Trustees, do hereby release and quitclaim unto said Wisconsin Power and Light Company, its successors and assigns, any and all right, title and interest which they or either of them, as such Trustees, may have acquired by virtue of said Mortgage and said indentures supplemental thereto and all other indentures or instruments, if any, supplemental thereto in and to all property covered by the lien of said Mortgage, and do hereby acknowledge satisfaction of said Mortgage.

This instrument may be executed in any number of counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, said Continental National Bank and Trust Company of Chicago, as Trustee as aforesaid, has caused this instrument to be executed in its corporate name by its President or one of its Vice-Presidents and by its Secretary or an Assistant Secretary and its corporate seal to be hereunto affixed, and the said Harold P. Smith, as Co-Trustee under said Mortgage has signed and sealed this instrument, this 30th day of June, 1936.

CONTINENTAL NATIONAL BANK AND TRUST COMPANY OF

CHICAGO

By F. E. Musgrove,
Vice-President

(Seal)

By E. B. Stofft,
Assistant Secretary

In the presence of
V. P. Nelsen (?)
E. J. Friedrich

Harold P. Smith (Seal)

In the presence of
V. P. Nelsen (?)
E. J. Friedrich

STATE OF ILLINOIS,)
ss:
COUNTY OF COOK.))

Personally came before me, this 30th day of June, A. D. 1936, F. E. Musgrove, the Vice President, and E. B. Stofft, the Asst. Secretary of the above named Continental National Bank and Trust Company of Chicago, a corporation organized under the laws of the United States of America, to me known to be the persons who executed the foregoing instrument as such Vice President and Asst. Secretary and to me known to be such Vice President and Asst. Secretary of said corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of such corporation by its authority.

(Seal)

H. J. Groener
Notary Public, Cook County, Illinois.

My Commission expires April 30, 1940.

STATE OF ILLINOIS,)
ss.
COUNTY OF COOK.)

Personally came before me, this 30th day of June, A. D. 1936, the above named Harold P. Smith, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

H. J. Groener
Notary Public, Cook County, Illinois

(Seal)

My Commission expires April 30, 1940.

REGISTER'S OFFICE)
ss.
SHAWANO COUNTY, WIS)

Received for Record this 7 day of July A. D., 19 36 at 4:20 o'clock P. M. and Recorded in Vol. 240 of Records on Page 450-2

Tillie Stark Register

STATE OF WISCONSIN)
ss.
DEPARTMENT OF STATE)

Received this 11th day of July A. D. 19 36 at 9 o'clock A. M. and recorded in Vol. 33 of R. R. Mtgs. on page 1-3 Inclusive.

Robert C. Siebecker
Assistant Secretary of State

Executed in 8 counterparts
ho. 5.

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DULUTH, MISSABE AND NORTHERN RAILWAY
EQUIPMENT TRUST OF 1937

A G R E E M E N T

Dated as of March 1, 1937

Between

VICTOR P. NELSON,

Vendor

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,

Trustee,

And

DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY

L E A S E

Dated as of March 1, 1937

from

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,

Trustee,

to

DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY

THIS AGREEMENT, dated as of March 1, 1937, by and between Victor P. Nelson, a citizen of the State of Illinois (hereinafter called the "Vendor"), of the first part, Continental Illinois National Bank and Trust Company of Chicago, a corporation duly organized and existing under the laws of the United States of America, Trustee as hereinafter mentioned (hereinafter called the "Trustee"), of the second part, and Duluth, Missabe and Northern Railway Company, a corporation duly organized and existing under the laws of the State of Minnesota (hereinafter called the "Company"), of the third part, witnesseth:

WHEREAS, the Company desires to obtain additional rolling stock in order that traffic over its lines may be properly transported, and it had been deemed expedient to make provision therefor through the medium of an equipment trust; and

WHEREAS, the Vendor has contracted to acquire or will acquire or contract to acquire the railroad equipment specifically described in the form of lease from the Trustee to the Company annexed to this agreement, which equipment together with the additional and substituted equipment provided for in this agreement and in said lease is hereinafter called the Trust Equipment; and

WHEREAS, the title to said Trust Equipment is to be vested in the Trustee and is to be retained by the Trustee until transferred under the provisions of said lease; and

WHEREAS, subscriptions have been or are being secured for the Three Million, Seven Hundred Eighty Thousand ($3,780,000) Dollars par value of Trust Certificates hereinafter mentioned, constituting a fund to be known as the Duluth, Missabe and Northern Railway Equipment Trust of 1937, which said fund is to be furnished to the Vendor to be applied by him in part payment of the cost of said Trust Equipment; the remainder of such cost to be discharged out of advance rentals to be paid by the Company under the terms of this agreement and said lease; and

WHEREAS, the Vendor desires to secure to the parties subscribing to said fund, or

their assigns, the repayment of the amount thereof in fifteen (15) installments payable respectively on March 1, 1938 and on the first day of March in each year thereafter to including March 1, 1952, as hereinafter more particularly provided, with dividends to said dates of maturity, respectively, at the rate of two and one-half per centum (2½ %) per annum, from March 1, 1937, payable semi-annually on the first day of March and the first day of September in each year commencing September 1, 1937, and to evidence the rights of the subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth:

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

ARTICLE 1.

SECTION 1. The Vendor, as speedily as may be, will cause to be built or acquired the Trust Equipment specifically described in the form of lease from the Trustee to the Company annexed to this Agreement, to which lease reference is hereby made, and will sell, assign, transfer and set over or cause to be assigned, transferred and set over said Trust Equipment unto the Trustee, as trustee for the holders of the Trust Certificates hereinafter described, when and as the Trust Equipment or any part thereof is constructed or completed. The Vendor will deliver or cause to be delivered the Trust Equipment, f.o.b. tracks of the Company to be specified by it, to the person or persons designated by the Trustee as its agent or agents to recieve such delivery, who may be any one or more of the officers or agents of the Company, and the certificate of any officer or agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company shall, simultaneously with the execution of this agreement, execute and deliver a lease of all the Trust Equipment in the form annexed hereto.

SECTION 2. Upon the execution of this agreement, the Vendor will deposit or cause to be deposited with the Trustee, in cash, the net proceeds of the sale of the Trust Certificates issuable as hereinafter provided, and at the same time the Company will deposit with the Trustee, in discharge Pro tanto of advance rental payable by the Company to the Trustee under the aforesaid lease, such additional amount in cash as will make the total sum deposited equal to Three Million, Seven Hundred Eighty Thousand ($3,780,000) Dollars. Thereupon without waiting for the recording, registration or filing of this agreement or of any lease of or other instrument respecting the Trust Equipment, the Trustee will issue and deliver, to or upon the written order of the Vendor, Trust Certificates, to be designated "Duluth, Missabe and Northern Railway Equipment Trust of 1937, 2½ % Serial Equipment Trust Certificates" and to be substantially in the form set forth in Article 11 of this agreement, of the aggregate par value of Three Million, Seven Hundred Eighty Thousand ($3,780,000) Dollars. For the purpose of this agreement and said lease the term "net Proceeds" shall not be construed to include any premium or accrued dividends collected or received upon the issue of Trust Certificates but the amount of such premium and such accrued dividends shall, nevertheless, be deposited with the Trustee and be applied by it on account of the first and any subsequent installment of rental payable under sub-papagraph (c) of subdivision B. of Paragraph First of said lease.

SECTION 3. Interest, if any, allowed upon any money so deposited shall belong to the Company and be paid to it by the Trustee, so long as the Company shall not be known to the Trustee to be in default hereunder or under said lease, in lieu of the use of the Trust Equipment for the period before the delivery thereof.

SECTION 4. The cash deposited with the Trustee amounting to Three Million, Seven Hundred Eighty Thousand ($3,780,000) Dollars as in Section 2 of this Article 1 provided (hereinafter called the Deposited Cash), as well as any premium and accrued dividends collected or received upon the issue of Trust Certificates shall, until paid out by the Trustee as herein provided, be held in trust for the benefit of the holders of the Trust Certificates. Thereafter, from time to time, when and as any of the Trust Equipment shall have been sold and delivered to the Trustee, and provided that a lease of such delivered equipment shall have been made to the Company, all as in this agreement provided, the Trustee shall, subject to the provisions of Section 5 of this Article 1, pay to the Vendor, or upon his written order, out of the Deposited Cash, an amount, not exceeding seventy-five per cent. (75%) of the estimated cost as specified in the annexed lease of the Trust Equipment so delivered to the Trustee, or of the cost as specified in the certificate delivered pursuant to subdivision (d) of Section 5 hereof, whichever is the lesser, as part payment for such Trust Equipment.

The Company covenants that, contemporaneously with such payment by the Trustee, the Company will pay to the Trustee, as advance rental as provided in the said lease, amounts equal to the remainder of the cost of the delivered equipment, being not less than twenty-five per cent. (25%) of the said cost. Such cost is to be conclusively established by certificates in writing of the Company, signed by an executive officer, and delivered to the Trustee prior to or contemporaneously with such payments. Thereupon the Trustee will pay to the Vendor, or upon his written order, by the use of such advance rental, the portion of the cost (as shown by such certificate or certificates) of the delivered Trust Equipment not discharged by the payment above described out of the Deposited Cash Deposited with the Trustee as aforesaid upon the delivery of the Trust Certificates.

The cost of the trust equipment, whenever referred to herein or in said lease, shall mean the actual cost thereof, including only such items as may properly be included in such cost under the accounting rules of the Interstate Commerce Commission.

SECTION 5. The Trustee shall not pay out any Deposited Cash against the delivery of any of the Trust Equipment, unless and until it shall have received:

(a) A certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment, specified therein by serial number or numbers, has been delivered to such agent or agents and marked in accordance with the provisions of Paragraph Third of said lease.

(b) A bill or bills of sale to the Trustee of such Trust Equipment from the manufacturer or owner thereof, containing or accompanied by a warranty or guaranty to the Trustee that the title to the Trust Equipment described therein is free from all liens or encumbrances.

(c) An opinion of counsel (who may be counsel to the Company), satisfactory to the Trustee, that such bill or bills of sale are valid and effective to vest in the Trustee, free from all liens and encumbrances, title to such Trust Equipment.

(d) A certificate or certificates as to the cost of such Trust Equipment signed by the Treasurer or an Assistant Treasurer of the Company, which certificates, may state either that the cost of such Trust Equipment is an amount therein specified or that the cost of such Trust Equipment is not less than an amount therein specified and shll state that such Trust Equipment complies

with the contract for its construction and is acceptable to the Company.

Any certificate as to cost may state that the cost of the Trust Equipment herein referred to is tentatively determined, subject to final adjustment as evidenced by a final certificate or certificates of cost to be delivered to the Trustee. If the final cost of any equipment as shown by final certificates delivered to the Trustee shall exceed the cost, tentatively determined, of such equipment as shown by certificates delivered to the Trustee pursuant to subdivision (d) of this Section, the Company shall pay to the Trustee, as advance rental, so much of such excess as shall not be payable from the Deposited Cash, and the Trustee shall pay to the Vendor, or upon his written order, from Deposited Cash, so much of such excess cost as, together with prior payments for such equipment made from Deposited Cash, shall not exceed 75% of the total or estimated cost of such equipment, whichever is the lesser, and the remainder of such excess cost shall be paid from the advance rentals paid to the Trustee as herein provided. If the aggregate final cost of all the Trust Equipment specifically described in the said lease should be less than the estimated cost of Five Million, Forty Thousand, Five Hundred ($5,040,500) Dollars, the Vendor will acquire and transfer, or cause to be acquired and transferred, to the Trustee, subject to all the terms of this agreement, other new standard-guage rolling stock of substantially as good material and construction as the equipment specifically provided for in said lease, approved as to character by the Company, of such cost that the aggregate final cost of all the Trust Equipment hereunder will at least equal said estimated cost of Five Million, Forty Thousand, Five Hundred ($5,040,500) Dollars.

SECTION 6. Any Deposited Cash remaining in the hands of the Trustee after the delivery of all of the Trust Equipment and payment therefor in the manner provided in this agreement, shall be applied by the Trustee towards payment of the next maturing par value of the Trust Certificates then outstanding when and as the same shall become payable, and to the extent that such payments are so made by the Trustee out of the balance of the Deposited Cash in its hands the next maturing installment of rental payable pursuant to subparagraph (d) of subdivision B of Paragraph First of said lease shall be correspondingly reduced.

SECTION 7. Anything in this agreement contained to the contrary notwithstanding, the aggregate par value of the Trust Certificates which shall be executed and delivered by the Trustee under this agreement shall not exceed the sum of Three Million, Seven Hundred Eighty Thousand ($3,780,000) Dollars except as provided in Section 6 of Article II hereof.

ARTICLE II.

SECTION 1. Each of the definitive Trust Certificates shall represent an interest to the amount of One Thousand Dollars ($1,000) in the trust of the Trust Equipment hereby created, and the holder or registered owner of any trust certificate, whether temporary or definitive shall be entitled to receive dividends on the par amount of such certificate at the rate of two and one-half per centum (2½%) per annum, from March 1, 1937, payable semi-annually on the first day of March and the first day of September, in each year commencing September 1, 1937.

The par value of the Trust Certificates shall become due and payable as follows:

March 1, 1938	$ 252,000
March 1, 1939	252,000
March 1, 1940	252,000
March 1, 1941	252,000

March 1, 1942	$ 252,000
March 1, 1943	252,000
March 1, 1944	252,000
March 1, 1945	252,000
March 1, 1946	252,000
March 1, 1947	252,000
March 1, 1948	252,000
March 1, 1949	252,000
March 1, 1950	252,000
March 1, 1951	252,000
March 1, 1952	252,000
Total	$3,780,000

The due date of each Trust Certificate shall appear upon its face. The definitive Trust Certificates shall be numbered from 1 consecutively upwards to 3780. both inclusive.

Dividend warrants evidencing the right of the holders of the Trust Certificates to the dividends thereon, shall be annexed to the respective definitive Trust Certificates. All dividends on the respective Trust Certificates shall cease after the par value thereof shall have become due unless payment thereof shall not be duly made upon demand.

SECTION 2. The definitive Trust Certificates, the dividend warrants to be annexed thereto and the guaranty to be endorsed thereon by the Company, as hereinafter in Section 2 of Article III hereof provided, shall be in substantially the following forms:

(FORM OF TRUST CERTIFICATE)

$1,000 No. .....

DULUTH, MISSABE AND NORTHERN RAILWAY EQUIPMENT

TRUST OF 1937

2½% Serial Equipment Trust Certificate.

Total Issue - $3,780,000.

Dividends at the Rate of Two and one-Half Per Cent,

Per Annum, Payable March 1 and September 1.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST

COMPANY OF CHICAGO, TRUSTEE.

Par Value payable March 1, 19.....

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee under an agreement dated as of March 1, 1937, between Victor P. Nelson of the first part, Continental Illinois National Bank and Trust Company of Chicago, Trustee, of the second part, and Duluth, Missabe and Northern Railway Company of the third part, hereby certifies that the bearer, or, if this certificate be registered, the registered owner hereof, is entitled to an interest of the par value of One Thousand Dollars ($1,000) in DULUTH, MISSABE AND NORTHERN RAILWAY EQUIPMENT TRUST OF 1937, and, as hereinafter more fully provided, is entitled to the payment of said sum on March 1, 19 , upon surrender of this Certificate either to the undersigned at its principal office in the City of Chicago, Illinois, or to The Chase National Bank of The City of New York at its principal office in the Borough of Manhattan, City and State of New York, at the option of the bearer of the registered owner, as the case may be; that the bearer of the dividend warrants hereto annexed is entitled to payment, until and including said last mentioned date, of dividends on said sum at the rate of two and one-half per centum (2½%) per annum from March 1, 1937, semi-annually on March 1 and September 1 in each year, according

to the tenor of the dividend warrants hereto annexed, upon presentation and surrender of such warrants, as they severally mature either to the undersigned at its said office or to The Chase National Bank of The City of New York at its said office, at the option of the bearer; and that this certificate and the dividend warrants thereon are payable respectively, at the place at which they shall be surrendered, in lawful money of the United States of America, without deduction for any tax, assessment or governmental charge (other than Federal income taxes) which Duluth, Missabe and Northern Railway Company or the Trustee may be required to pay or to retain therefrom under any present or future law of the United States of America, but only from and out of the rentals when received by the undersigned pursuant to the provisions of said agreement, dated as of March 1, 1937, and of a certain lease of railroad equipment made by Continental Illinois National Bank and Trust Company of Chicago, Illinois, to Duluth, Missabe and Northern Railway Company, dated as of March 1, 1937, or from and out of any moneys otherwise received by the Trustee under the provisions of said agreement, dated as of March 1, 1937, for such payment.

This certificate is one of an issue of thirty-seven hundred and eighty (3780) certificates for One Thousand Dollars ($1,000) each, similar except as to dates of maturity, all issued or to be issued under said agreement, under which said railroad equipment (or Deposited Cash in lieu thereof as provided in said agreement) and said lease thereof are held by said Trustee in trust for the equal benefit of the holders of the interests represented by said certificates, to which agreement and lease, filed with the Trustee at its principal office in the City of Chicago, reference is made for a full statement of the rights and obligations of the Company, the duties and immunities of the undersigned and the rights of the holder or registered owner hereof thereunder.

This certificate may be registered at the principal office of the Trustee in the City of Chicago, in the name of the holder hereof, and such registration noted hereon by or on behalf of the Trustee. Thereafter title to the interest represented by this certificate shall pass only by transfer registered at said office unless and until a transfer to bearer shall have been similarly registered and noted hereon. Such registration shall apply only to the par value of this certificate and not to the dividend warrants hereunto attached which shall continue to be payable to bearer and transferable by delivery.

Every taker and holder of this certificate and of the attached warrants, by accepting the same, agrees with the undersigned and with every subsequent taker and holder hereof and thereof, that this certificate (unless registered in the name of the holder) and such warrants shall be transferable with the same effect as in the case of a negotiable instrument payable to bearer, by delivery by any person having possession of the same, respectively, howsoever such possession may have been acquired, and that the undersigned may treat the bearer of this certificate, or the registered holder hereof, if this certificate be registered in his name, as above provided, and the bearer of the warrants attached hereto, whether or not this certificate be so registered, as the absolute owner of this certificate or of said warrants as the case may be, for all purposes, and that the undersigned shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of Duluth, Missabe and Northern Railway Company in said agreement or lease contained, the par value represented by this certificate may be declared due and payable, as provided in said agreement.

Neither this certificate nor the dividend warrants attached hereto shall be deemed

in any wise a promise to pay of the undersigned.

IN WITNESS WHEREOF, Continental Illinois National Bank and Trust Company of Chicago, as Trustee, has caused this certificate to be signed by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and to be attested by its Secretary or one of its Assistant Secretaries, and dividend warrants, bearing the facsimile signature of one of its Assistant Secretaries, to be attached hereto, as of the first day of March, 1937.

Dated as of March 1, 1937.

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
Trustee,

By .....,
Vice-President.

Attest:

.....
Assistant Secretary

(FORM OF DIVIDEND WARRANT)

$12.50 No. .....

Due to the bearer hereof on the first day of , 19 , on surrender hereof either at the principal office of the undersigned in the City of Chicago, or, at the principal office of The Chase National Bank of The City of New York, in the Borough of Manhattan, City and State of New York, at the option of the bearer, Twelve and 50/100 ($12.50) Dollars payable in lawful money of the United States of America, without deduction for any tax, assessment or governmental charge (other than Federal income taxes) as specified in the agreement herein mentioned, being the semi-annual dividend then due on Certificates No. Of DULUTH, MISSABE AND NORTHERN RAILWAY EQUIPMENT TRUST OF 1937, payable only out of rentals or other moneys applicable thereto received by the undersigned pursuant to the agreement dated as of March 1, 1937, referred to in said certificate and as therein provided.

CONTINENTAL ILLINOIS NATIONAL BANK AND
TURST COMPANY OF CHICAGO,

By .....
Assistant Secretary.

(FORM OF GUARANTY)

DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY, for a valuable consideration, hereby unconditionally guarantees to the bearer or registered owner of the within certificate the prompt payment of One Thousand ($1,000) Dollars, being the par value of said certificate, when the same shall become due and payable, whether at the maturity thereof or otherwise under the provisions thereof or of the agreement therein mentioned, and of dividends thereon at the rate of two and one-half per centum (2½%) per annum, on the semi-annual dates mentioned in said certificate and in the dividend warrants thereunto attached; all in lawful money of the United States of America.

Dated as of March 1, 1937.

DULUTH. MISSABE AND NORTHERN RAILWAY COMPANY,

By .....,
Treasurer.

Countersigned:

.....
President

SECTION 3. The Trust Certificates shall be signed in the name and on behalf of the Trustee by its President or one of its Vice-Presidents, and its corporate seal be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. In case any of the officers of the Trustee who shall have signed and sealed any of the Trust Certificates shall cease to be such officers of the Trustee before the Trust Certificates so signed and sealed shall have been issued and delivered by the Trustee, such Trust Certificates shall be adopted by the Trustee and be issued and delivered as though the persons who signed and sealed such Trust Certificates had not ceased to be such officers of the Trustee. The dividend warrants to be thereto attached shall be authenticated by the facsimile signature of any present or any future Assistant Secretary of the Trustee; the Trustee shall adopt and use for that purpose any such facsimile signature notwithstanding the fact that such Assistant Secretary shall have ceased to be such Assistant Secretary at the time when any such Trust Certificates shall be issued and delivered as herein provided. Before executing or delivering any Trust Certificates, all matured dividend warrants thereto appertaining shall be detached and cancelled by the Trustee.

SECTION 4. Temporary printed Trust Certificates, with or without dividend warrants, or with one or more dividend warrants, and with or without provisions for registration, in such form and denominations as the Trustee may determine, may be issued by the Trustee, having endorsed thereon a guaranty of the Company in the form aforesaid, which temporary Trust Certificates shall be exchangeable, without cost to the holder, upon surrender for definitive Trust Certificates of equal aggregate par amount and of the same maturity or maturities having endorsed thereon a guaranty of the Company in the form aforesaid, when the same shall have been prepared. Until such exchange such temporary Trust Certificates shall be entitled to the same benefits of this agreement in all respects as such definitive Trust Certificates, including the payment of dividends and the guaranty by the Company.

SECTION 5. The Trust Certificates shall be negotiable and shall pass by delivery unless registered as to par value in the manner in this agreement provided. Any of the definitive Trust Certificates may be registered as to the par value thereof in the name of the holder on the books of the Trustee to be kept at the principal office of the Trustee in the City of Chicago, and such registration shall be noted on the certificate by the Trustee. Thereafter no transfer thereof shall be valid unless made at said office by the registered owner thereof in person, or by his duly authorized attorney, and similarly noted thereon; but the same may be discharged from registration by being in like manner transferred to bearer; and such Trust Certificates may again and from time to time be registered and transferred to bearer as before. Such registration, however, shall not affect the dividend warrants, but every such dividend warrant shall continue to be transferable with the same effect as in the case of a negotiable instrument payable to bearer, by delivery thereof by any person in possession of the same, however such possession may have been acquired.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any unregistered Trust Certificate and the bearer of any dividend warrant as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment thereof, and for all other purposes, and shall not be affected by any notice to the contrary. The parties hereto may deem and treat the registered owner of any registered Trust Certificate as the absolute owner of such Trust Certificate for all purposes except payment of dividends, and shall not be affected by any notice to the contrary.

For any registration, transfer or discharge from registration, the Trustee at its option may, and if so requested by the Company shall, require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith.

SECTION 6. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee may upon the written request of the Company execute and deliver a new Trust Certificate (and the Company at the request of the Trustee shall execute its guaranty thereon), with all unmatured dividend warrants appertaining thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, stolen or destroyed, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of or in substitution for the same if lost, stolen or destroyed, and make payment of any matured and unpaid dividend warrants appertaining to the same. The applicant for a new Trust Certificate or new dividend warrant shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, theft or destruction of such Trust Certificate and warrants alleged to have been lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate and warrants, and also such security or endemnity as may be required by the Trustee and by the Company in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, stolen or destroyed Trust Certificates and warrants, and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE III.

SECTION 1. The Company hereby accepts and becomes bound by all the terms of this agreement, and hereby covenants and agrees to make payment of the expenses and reasonable compensation of the Trustee, and of all taxes, assessments and governmental charges for which the Trustee may be liable, and all taxes, assessments and governmental charges (other than Federal income taxes) which the Trustee or the Company may be required to pay or to retain from the par value of the Trust Certificates or the dividends payable in respect thereof under any present or future law of the United States of America.

SECTION 2. The Company covenants and agrees and guarantees that the bearer or registered owner of each of the Trust Certificates, shall receive the sum of One Thousand Dollars ($1,000), or, in the case of temporary Trust Certificates, the par value therein expressed to be payable, in lawful money of the United States of America, when and as the same shall become due and payable, whether at the maturity thereof or otherwise under the provisions thereof or of this agreement, and shall receive dividends thereon in like money at the rate of two and one-half per centum (2½%) per annum, from March 1, 1937, to the date of maturity of such Certificate, without deduction for any tax, assessment or governmental charge (other than Federal income taxes) which the Company or the Trustee may be required to pay or to retain therefrom, under any present or future law of the United States of America, and at the times and place and otherwise as expressed in the Trust Certificates and in the dividend warrants thereto attached; and the Company further covenants and agrees to endorse upon each of the Trust Certificates,

at or before the issuance and delivery thereof, by the Trustee, its guaranty of the prompt payment of the par value thereof and of the dividends thereon, in substantially the form in Section 2 or Article II hereof provided. Said guaranty so endorsed shall be signed in the named and on behalf of the Company by its Treasurer or Assistant Treasurer or First Vice-President and countersigned by its President or Auditor or Assistant Auditor. In case any officer of the Company who shall have signed said guaranty shall cease to be such officer of the Company before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been such officer on the date of the Trust Certificates, such guaranty shall, nevertheless, be as effective and binding upon the Company as though the person who signed such guaranty had not ceased to be such officer of the Company or had been such officer on the date of the Trust Certificates.

SECTION 3. The Company covenants and agrees that it will pay and discharge or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, obligation or claim which, if unpaid, might become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings; unless such contest will, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SECTION 4. The Company covenants and agrees to pay the expenses incident to the preparation and execution of the Trust Certificates and dividend warrants, including any temporary Trust Certificates to be issued hereunder, or connected with the preparation, execution, recording, registration and filing hereof or of said lease and of any instruments executed under the provisions hereof or of said lease in respect to the Trust Equipment or lease or to any equipment or parts used to replace any of the same.

The Company with all convenient speed will cause this agreement and said lease and all supplemental leases and agreements which may be executed under the terms of this agreement or of said lease, to be duly filed and recorded in all States wherein are situated railroad lines owned or operated by it or by any corporation a majority of whose stock shall be owned directly or indirectly by the Company or over which the Company or any such corporation has trackage rights, and in all States where any of the Trust Equipment shall be delivered, and otherwise as may be required by law, so that this agreement and said lease and all said other instrument may at all times be duly filed and recorded.

SECTION 5. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this agreement and said lease and the intent hereof and thereof.

SECTION 6. The Company covenants that it will make payment of the rentals on account of the Trust Equipment as provided in this agreement and in said lease, notwithstanding that any of the Trust Certificates and warrants shall have been acquired by the Company or shall not have been presented for payment.

ARTICLE IV.

SECTION 1. In order to prevent any accumulation of Trust Certificates or of dividend warrants after maturity, neither the Trustee nor the Company shall or will directly

or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution therefor shall be issued; and neither the Trustee nor the Company shall directly or indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants, or for any advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee or the Company, or in case, at or after maturity, any Trust Certificates or dividend warrants shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Company or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustee or the Company, such Trust Certificates and dividend warrants shall not be entitled to the benefit of said lease or of this agreement, except subject to the prior payment in full of the par value of all other Trust Certificates and dividend warrants whether the same be then matured or unmatured.

SECTION 2. In case one or more of the events of default described in Paragraph Sixth of said lease shall happen, or in case the Company shall fail to keep and perform any of its covenants under this agreement, the Trustee in its discretion may, and upon the written request of the holders of twenty-five per centum in par value of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare the par value of all the Trust Certificates then outstanding to be due and payable and thereupon the same shall become and be immediately due and payable and the Trustee shall be entitled to enforce all the terms and stipulations of the lease for the benefit of the holders of the Trust Certificates. In case the Trustee shall retake possession of the Trust Equipment, it either may hold or may lease, or publicly or privately and for cash or upon credit, may sell or dispose of said Trust Equipment, or any part thereof, as the Trustee in its discretion may deem most beneficial to the holders of the Trust Certificates and as may be authorized by law. The proceeds of any such lease or sale or disposition, after deducting the costs and expenses of sale and the expenses and compensation of the Trustee and its counsel and any sums paid for taxes which the Trustee may be required by law to pay in respect of the Trust Equipment or the Trust Certificates or the dividends thereon, shall be applied by the Trustee to the payment of the dividend warrants then due, with interest on overdue dividends at the rate per annum allowed by law and of the par value of all of the outstanding Trust Certificates, with intetest thereon at the rate per annum allowed by law from the last preceding dividend date, whether such Trust Certificates shall have then matured by their terms or not, in full, if such proceeds shall be sufficient, and, if not sufficient, then pro rata subject to the provisions of Section 1 of this Article IV.

ARTICLE V.

SECTION 1. The Trustee hereby accepts the trusts imposed upon it by this agreement and said lease, and covenants and agrees to perform the same as herein and therein expressed.

SECTION 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivision B of Paragraph First of said lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the necessary and reasonable expenses of the trust, including compensation and expenses of the Trustee provided for in this agreement

and all expenses connected with the Trust Equipment and said lease thereof;

(b) to the payment of any and all taxes, assessments and governmental charges upon or on account of the income or property of the trust, or the agreement and lease evidencing the same, which the Trustee may be required to pay, and of any and all taxes, assessments and governmental charges (other than Federal income taxes) which the Company or the Trustee may be required to pay or to retain from the par value of the Trust Certificates or from the dividends payable thereon under any present or future law of the United State of America;

(c) to the payment of the dividend warrants attached to the Trust Certificates when and as the same shall become payable, subject to the provisions of Section I of Article IV hereof; and

(d) to the payment of the par value of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof and subject to the provisions of Section I of Article IV hereof.

Section 3. The Trustee shall cause to be kept, at its principal office in the City of Chicago, books for the registration and transfer of the Trust Certificates, and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, and under such reasonable regulations as it may prescribe, the par value of any of the Trust Certificates.

Section 4. The Trustee shall not be required to undertake any act or duty in the way of taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this agreement or said lease until fully secured by the Company or by one or more holders of the Trust Certificates against all liability and expenses. No duty of insurance or of repairs or of protection of any of the Trust Equipment is incumbent upon the Trustee, nor shall it be responsible for the filing, registration or recording of this agreement or of said lease or of any agreement executed pursuant hereto or thereto; and the Trustee may issue and deliver Trust Certificates in advance of such filing, registration or recording. In accepting delivery of and making payment for the Trust Equipment hereunder, the Trustee may rely upon and shall be fully protected by the certificates, bills of sale and opinions of counsel to be furnished to it under Section 5 of Article I of this agreement.

Section 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the Trusts hereby created, nor to defend any action with respect thereto, unless requested thereunto in writing by the holders of not less than one-quarter in aggregate par value of the then outstanding Trust Certificates and unless indemnified to its satisfaction against expense and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates and warrants in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere or in the lease specifically given to the Trustee to determine whether it shall take action in respect of any such default, or to take action without request.

Section 6. No holder of any Trust Certificate or dividend warrant issued hereunder shall have any right to institute any suit, action or proceeding for the execution and enforcement of the trust hereby created unless, after the aforesaid request in writing by the holders of not less than one-quarter in aggregate par value of the then outstanding Trust Certificates shall have been made upon the Trustee, indemnity

satisfactory to it has been provided, and ninety (90) days have elapsed for action by the Trustee upon such request, it shall decline, fail or neglect to institute any proceedings pursuant thereto.

SECTION 7. The Trustee may, for all purposes, conclusively assume that the Company is not in default under the terms hereof or of said lease until notified in writing to the contrary by the holders of at least one-tenth in aggregate par value of the Trust Certificates then outstanding, which notice shall distinctly specify the event of default desired to be brought to the attention of the Trustee.

SECTION 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic, and to be signed by the proper party or parties.

SECTION 9. The Trustee shall not be liable for any delay in the delivery of any of the Trust Equipment, nor for any default on the part of the manufacturers thereof or of the Vendor, nor for any defect in any of said Trust Equipment, nor shall anything herein or in the lease be construed as a warranty on the part of the Trustee in respect thereof or as a respresentation in respect of the value thereof or in respect of the title thereto.

The Trustee may perform its powers and duties hereunder and under the lease by or through such attorneys, agents and servants as it shall appoint, and shall be entitled to rely upon the advice of counsel (who may be of counsel to the Company) and shall be answerable only for its own acts, recipts, gross negligence and willful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it with reasonable care in pursuance hereof or of the lease; nor shall it be liable for anything whatever in connection with the trust hereby created unless the same shall happen through its own gross negligence or bad faith. The Trustee shall not be responsible in any way for the recitals herein or in the lease contained or for the execution or validity of this agreement or of the lease or of the Trust Certificates, or the guaranty by the Company thereof, or for any mistake of fact or law.

The Trustee shall be entitled to receive payment of all of its expenses and disbursements hereunder and under the lease, including counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Company. The Company agrees at all times to indemnify the Trustee and save it harmless against and from any and all liabilities incurred by the Trustee hereunder not due to its own gross negligence or willful misconduct.

The Trustee in its individual capacity may own, hold an dispose of Trust Certificates and dividend warrants with the same rights which it would have if it were not Trustee.

Any moneys at any time held by the Trustee hereunder or under the lease shall, until paid out by the Trustee as herein provided, be held by it in trust for the benefit of the holders of the Trust Certificates without liability for interest save as may be agreed upon between it and the Company. Any interest accruing upon any such moneys shall be paid from time to time to the order of the Company if the Company shall not then be known by the Trustee to be in default hereunder or under the lease.

SECTION 10. If at any time the Trustee or any successor to it in the trust hereby created shall desire to divest itself of title to the Trust Equipment, and to terminate its duties and obligations and rights under this agreement, the lease and the Trust Certificates, it shall so notify the Company in writing and the Company shall thereupon

designate in writing to the Trustee a national bank or an trust company, qualified as below specified, to serve until a successor is appointed by the holders of Trust Certficates as hereinafter provided and to which may be assigned the entire right, title and interest of the Trustee or such successor in the Trust Equipment, and in which may be vested the rights, powers, duties and obligations of the trust under this agreement, the lease and the Trust Certificates. Upon the transfer and delivery of all moneys and Trust Equipment held by the Trustee or any such successor, and the execution by the retiring trustee of such instruments of transfer as may be requested by the successor trustee, and upon acceptance by the successor trustee of the assignment and of the trust, the retiring trustee shall be relieved and discharged of all the title, rights, powers, duties and obligations of the trust under this agreement, the lease and the Trust Certificates, and the same shall become vested in such successor trustee, and every provision of this agreement and the lease applicable to the retiring trustee shall apply to such successor trustee with like effect as if originally named herein in the place and stead of the party of the second part. In the event that the Company shall fail to designate such a successor trustee by instrument in writing delivered to the retiring trustee within two weeks from the time of receiving such notice in writing from the retiring trustee, the retiring trustee may thereupon designate such successor turstee. The foregoing provisions are, however, subject to the right of the holders of the majority in par value of the Trust Certificates by an instrument in writing to appoint any successor trustee, if such appointment is made within one year from the date of the giving of such notice to the Company. The Company will execute all such writings recognizing the transfer of title as aforesaid and all such instruments of further assurance or otherwise as may be requested by the successor trustee in the premises, and will do and perfrom any and all acts necessary to extablish and maintain the title and rights of the successor trustee in and to the Trust Equipment. Every successor trustee shall be a national bank or a trust company, doing business in the City of Chicago, having a capital and surplus of at least Five Million ($5,000,000) Dollars, if there be such national bank or trust company willing and able to accept the trust upon reasonable and customary terms.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, or any corporation in any manner succeeding to the business of the Trustee, or any successor trustee, as a whole or substantially as a whole, provided such corporation shall be a corporation organized under the laws of the United States of America, or the State of Illinois, and shall do business in the City of Chicago and have a capital and surplus aggregating at least Five Million ($5,000,000) Dollars, shall be the successor trustee under this agreement and said lease without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VI.

No recourse under any obligation, covenant or agreement of this agreement or of the guaranty of the Company respecting any Trust Certificate or dividend warrants issued hereunder, shall be had against any stockholder, officer or director of the Company, by the enforcement of any assessment or by any legal or equitable proceeding, by virute of any statute or otherwise; it being expressly agreed and understood that this agreement and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors of the Company, or any of them, under or by reason of any of the obligations, covenants or

contained in this agreement or in the guaranty of the Company respecting any of the Trust Certificates or dividend warrants issued hereunder, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this agreement and the issue of such Trust Certificates and dividend warrants.

ARTICLE VII.

Any request or other instrument provided by this agreement or the lease to be signed or executed by holders of Trust Certificates may be in any number of concurrent instrument of similar tenor, and may be executed by such holders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this agreement or the lease, and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz:

(a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or of any other officer authorized to take, either within or without the State of Illinois, acknowledgments of deeds to be recorded in the State of Illinois, or in the state where the acknowledgment may be taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution;

(b) The amount of Trust Certificates held by any person executing any such request or other instrument as a holder of Trust Certificates, and the serial numbers of the Trust Certificates held by such person and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary, wheresoever situated, whose certificate shall be deemed by the Trustee to be satisfactory, showing that, at the date therein mentioned, such person had on deposit with or exhibited to such depositary the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such deposit unless and until it shall receive proof satisfactory to it to the contrary.

ARTICLE VIII.

At the termination of said lease to the Company, any moneys remaining in the hands of the Trustee, after paying the par value of and dividends upon the Trust Certificates, and the expenses of the Trustee, including its reasonable compensation and counsel fees, shall be paid to the Company.

ARTICLE IX.

Nothing in this agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, firm or corporation other than the parties hereto and the holders of the Trust Certificates and appurtenant dividend warrants, any right, remedy or claim under or by reason of this agreement, or of any term, covenant or condition thereof, and all of the terms, covenants, conditions, promises and agreements in this agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates and dividend warrants.

ARTICLE X

The term "Trustee" as used herein and in said lease shall be held and construed to mean Continental Illinois National Bank and Trust Company of Chicago, its successors and assigns; the word "Company" to mean and include the party of the third part, its successors and assigns; and the word "holder" shall include the plural as well as the singular number. The term "Trust Equipment", wherever used herein or in said lease, unless otherwise indicated by the context, is intended to include all railroad equipment at any time covered by said lease or any supplemental lease or this agreement or required or intended so to be.

In case of the death or inability to act of the Vendor, the Trustee shall receive and distribute or pay for the account of the original Vendor, to the parties entitled to receive the same from the original Vendor, all Trust Certificates issuable or Deposited Cash or other moneys payable to the original Vendor by the Trustee hereunder, and shall also receive for the account of the original Vendor the items of Trust Equipment which such Vendor would have been entitled to receive for the purposes of the Trust. The Vendor shall incur no liability hereunder, or under any bill of sale executed by him as herein provided, or for anything other than his own willful default, misconduct or gross neglect. The Vendor shall be entitled to the advice of counsel (who may be counsel to the Company) and shall be protected by the advice of such counsel in anything done or omitted to be done by him in accordance with such advice.

Whenever, under the provisions hereof or of the lease it is necessary or proper for any notice or demand to be made to or upon the Company, or if at any time it is desired to give any such notice or make any such demand, such notice or demand may be given or made by depositing a written statement thereof, securely enclosed in a post-paid wrapper, in the United States mail, directed to the Company at Wolvin Building, Duluth, Minnesota, and an affidavit by any person representing or acting on behalf of the Trustee as to such mailing shall be conclusive evidence of the giving of such notice and the making of such demand.

This agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original.

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Victor P. Nelson, Vendor, has hereunto set his hand and seal and Continental Illinois National Bank and Trust Company of Chicago, as Trustee, and the Duluth, Missabe and Northern Railway Company have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals to be hereto affixed, duly attested, as of the day and year first above written.

Victor P. Nelson (seal)

Signed, sealed and delivered
in the presence of:
E. J. Friedrich
R. W. Swezey

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO.
By F. E. Musgrove
Vice-President.
(Corporate Seal)

Attest:
E. B. Stofft
Assistant Secretary

Signed, sealed and delivered
in the presence of:
E. J. Friedrich
R. W. Swezey

DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY,
By C. E. Carlson
President.

Attest:
J. W. Kempton
Secretary
(Corporate Seal)

Signed, sealed and delivered
in the presence of:
A. R. Morton
E. J. Friedrich

(United States Internal Revenue Stamps for $3780 have been affixed to an original counterpart hereof in the possession of the Trustee and hage been duly cancelled.)

STATE OF ILLINOIS,)
(SS.:
COUNTY OF COOK.)

I, Paul B. Robb, a Notary Public in and for the State and County aforesaid, do hereby certify that the within-named Victor P. Nelson, personally known to me to be the person described in, and whose name is subscribed to, and who executed, the foregoing instrument, appeared before me this day in person, and, being by me duly sworn, acknowledged that he executed, signed, sealed and delivered the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal this 13th day of March, 1937.

Paul B. Robb

(Notarial Seal)

My Commission Expires July 12, 1939
Notary Public, Cook County, Ill.

STATE OF ILLINOIS,)
(SS.:
COUNTY OF COOK.)

I, Paul B. Robb, a Notary Public in and for the State and County aforesaid, do hereby certify that the within-named F. E. Musgrove and E. B. Stofft, Vice-President and Assistant Secretary respectively of the within-named Continental Illinois National Bank and Trust Company of Chicago, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President and Assistant Secretary respectively, and to be such Vice-President and Assistant Secretary respectively, appeared before me this day in person, and being by me severally duly sworn, did each for himself and not one for the other, severally depose and say and acknowledge that the said F. E. Musgrove is the Vice-President, and that the said E. B. Stofft is the Assistant Secretary, of the said Continental Illinois National Bank and Trust Company of Chicago, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was executed, signed and sealed in behalf of said corporation by authority of its board of directors; that they as such Vice-President and Assistant Secretary respectively executed, signed, sealed and delivered said instrument as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts as such Vice-President and Assistant Secretary respectively thereunto duly authorized for the uses and purposes therein set forth.

Given under my hand and seal this 13th day of March, 1937.

Paul B. Robb

(Notarial Seal)

My commission expires July 12, 1939
Notary Public, Cook County, Illinois

STATE OF ILLINOIS,)
COUNTY OF COOK.) SS.:

I, Paul B. Robb, a Notary Public in and for the State and County aforesaid, do hereby certify that the within-named C. E. Carlson and J. W. Kempton, President and Secretary respectively of the within-named DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary respectively, and to be such President and Secretary respectively, appeared before me this day in person, and, being by me severally and duly sworn, did each for himself and not one for the other, severally depose and say and acknowledge that the said C. E. Carlson is the President, and that the said J. W. Kempton is the Secretary, of the said DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was executed, signed and sealed in behalf of said corporation by authority of its board of directors; that they as such President and Secretary respectively executed, signed, sealed and delivered said instrument as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts as such President and Secretary respectively thereunto duly authorized for the uses and purposes therein set forth.

Given under my hand and seal this 13th day of March, 1937.

Paul B. Robb
My commission expires July 12, 1939
Notary Public, Cook County, Illinois

(Notarial Seal)

LEASE OF RAILROAD EQUIPMENT, dated as of the first day of March, 1937, between CONTINNENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY of Chicago, a corporation duly organized and existing under the laws of the United States of America, Trustee as hereinafter mentioned, (hereinafter called the "Trustee"), party of the first part, and DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Minnesota (hereinafter called the "Company"), party of the second part:

WHEREAS, by a certain agreement, bearing date as of March 1, 1937, between Victor P. Nelson, Vendor, said Continental Illinois National Bank and Trust Company of Chicago, as Trustee, and said Duluth, Missabe and Northern Railway Company (hereinafter referred to as said agreement), a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Duluth, Missabe and Northern Railway Equipment Trust of 1937", under which the railroad equipment which said Vendor has agreed to transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said agreement the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee;

NOW, THIS AGREEMENT WITNESSETH:

That the Trustee (acting in pursuance of said agreement), party of the first part, for and in consideration as well of the sum of one dollar to it in hand paid by the Company, party of the second part, at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company, for the term of fifteen(15) years from and after March 1, 1937, all the following railroad equipment of the Duluth, Missabe and Northern Railway Equipment Trust of 1937, to wit:

Number of Units	Description of Equipment		Names of Builder
1500	75-ton all-steel ore cars. cost $3,229 each.	Estimated	Pullman-Standard Car Manufacturing Company (1000 cars); and General American Car Company (500 cars).
50	70-ton steel hopper cars. cost $3930 each.	Estimated	Ryan Car Company.

together with such additional railroad equipment as may be acquired for said trust and subjected to this lease as hereinafter provided hereinafter collectively called the Trust Equipment).

The estimated cost of the railroad equipment above specifically described, when completed, has been certified by the Company to the Trustee to be approximately Five Million, Forty Thousand, Five Hundred ($5,040,500) Dollars.

In case the actual cost of said equipment specifically described shall not amount to at least said sum, then in addition to said equipment above specifically described, the Trustee may acquire and subject to this Lease (subject, however, to the provisions of Section 5 of Article 1 of said agreement) other new standard-gauge rolling stock of substantially as good material and construction, and approved as to character by said Company, of such cost that the aggregate cost of all the Trust Equipment will be at least said sum; and the Trustee shall execute to the Company a supplemental lease thereof describing the same, upon and subject to the terms and conditions hereof and of said agreement and such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when any of the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said agreement and marked in accordance with the provisions of Paragraph Third hereof, the same shall be delivered by the Trustee to the Company at the same place or places provided for in Section I of Article I of said agreement and shall upon such delivery to the Company, ipso facto and without further deed of lease or transfer, pass under and become subject to all the terms and provisions of this lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee:

FIRST: The Company hereby accepts (subject to the conditions mentioned in said agreement) this lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee at its principal office in The City of Chicago, Illinois, or to its successors or assigns at the office of successors or assigns)or, in the case of taxes, to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items when and as the same shall become due and payable (whether or not any of such items shall become due and payable prior to the delivery and lease to the Company of any of said equipment).

A. From time to time, as provided in said agreement, the Company shall pay to the Trustee, as advance rental under this lease, sums which in the aggregate shall be equal to the difference between the total cost of the leased equipment and the portion of such cost to be provided out of the net proceeds of sale of the Trust Certificates to be issued as set forth in said agreement, the intention being that when all of the leased equipment shall have been delivered to the Trustee, the Company shall have paid or shall pay to the Trustee, as advance rental under this lease, a sum equal to the amount by which the entire cost of the leased equipment exceeds the net proceeds of the sale of the aforesaid Trust Certificates and in no event less than twenty-five per cent (25%) of the entire cost. The Company agrees to pay such advance rental as follows:

(1) Promptly upon the execution of this lease, a sum which when added to the net proceeds of the sale of the Trust Certificates paid to the Trustee by the Vendor, will make the total sum deposited equal to $3,780,000;

(2) Upon delivery of any of the Trust Equipment to the Trustee and part payment therefor by the Trustee out of Deposited Cash, amounts equal to the remainder of the cost of such equipment being not less than twenty-five per cent. (25%) of such cost.

B. In addition to such advance rental the Company shall pay to the Trustee, from time to time as below provided, as rental for the leased equipment and replacements, and whether or not at the time any thereof shall have been delivered to the Company, the following:

(a) The necessary and reasonable expenses of the trust, including compensation and expenses provided for in said agreement and all expenses connected with the Trust Equipment and this lease thereof.

(b) Any and all taxes, assessments and governmental charges upon or on account of the income or property of the trust, or the agreement and lease evidencing the same, which the Trustee under said agreement may be required to pay, and any and all taxes, assessments and governmental charges (other than Federal income taxes) which the Company or the Trustee may be required to pay or to retain from the par value of the Trust Certificates issued as provided in said agreement or from the dividends payable thereon, under any present or future law of the United States of America.

(c) The dividend warrants attached to the Trust Certificates, when and as the same shall become payable.

(d) The par value of the Trust Certificates, when and as the same shall become payable, whether upon the respective dates of maturity thereof or otherwise under the provisions thereof or of said agreement, such respective dates of maturity being as follows, to wit:

March 1, 1938	$ 252,000
March 1, 1939	252,000
March 1, 1940	252,000
March 1, 1941	252,000
March 1, 1942	252,000
March 1, 1943	252,000
March 1, 1944	252,000

March 1, 1945	262,000
March 1, 1946	252,000
March 1, 1947	252,000
March 1, 1948	252,000
March 1, 1949	252,000
March 1, 1950	252,000
March 1, 1951	252,000
March 1, 1952	252,000
Total	$3,780,000

The Company shall not be required, however, to pay any tax, assessment or governmental charge so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof, unless thereby, in the judgement of the Trustee, the rights or interests of the Trustee or of the holders of the Trust Certificates may be materially endangered; provided that nothing herein shall qualify or affect the right of the holders of the Trust Certificates to receive full and punctual payment of both dividends and the par value of such Trust Certificates without deduction for such taxes, assessments or governmental charges (other than Federal Income taxes).

SECOND: At the termination of this lease and after all payments due or to become due from the Company hereunder and under said agreement shall have been completed and fully made to the Trustee, (1) title to all of the Trust Equipment and to all replacements thereof made hereunder shall vest in the Company, and (2) thereupon the Trustee shall, at the expense of the Company, execute for record in public offices, such instrument or instruments in writing asreasonably shall be requested by the company in order then to make clear upon the public records the title of the Company to all of the Trust Equipment and replacements thereof, under h the the laws of any jurisdiction; provided, however, and it is hereby agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company, but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company.

THIRD: At or before the delivery to the Company of each of the cars constituting the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case in letters not less than one inch in height:

"DULUTH, MISSABE AND NORTHERN RAILWAY EQUIPMENT TRUST OF 1937; CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO. TRUSTEE, OWNER, LESSOR."

Such plates or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of said equimpent. In case, during the continuance of this lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company shall immediately cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the Trust Equipment at any time covered by this lease (nor any

numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which shall previously have been filed with the Trustee by the Company and consented to by the Trustee and recorded or filed in each public office where this instrument shall have been recorded or filed.

The Trust Equipment may be lettered "Duluth, Missabe and Northern Railway Company," or in some other appropriate manner, for convenience of identfication of the leasehold interest of the Company therein; but the company, during the continuance of this lease, shall not allow the name of any person, asso ciation or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FOURTH: (a) The Company, during the continuance of this lease, shall maintain and keep all of the Trust Equipment in good order and proper repair, at its own proper cost and charge, and shall replace, at its own cost, any of the Trust Equipment that may be released, worn-out, unsuitable for use, lost, or destroyed, by new standard-gauge rolling stock of substantially as good material and construction and of a value equal to the value of the equipment so released, worn out, unsuitable for use, lost, or destroyed, marked as in this lease provided, the value of the new rolling stock to be figured at cost if that be below market value or at market value if that be below cost (such market value is to be conclusively established by certificates in writing of the company, signed by an executive officer, and delivered to the Trustee); Provided, however, that the Company may, in lieu of such replacement, deposit with the Trustee in cash and in trust for the benefit of the holders of the Trust Certificates pending replacement of such Trust Equipment, the then fair value of such equipment so released, worn out, unsuitable for use, lost or destroyed (such fair value to be determined and any moneys so deposited to be held and applied as provided in Paragraph Seventh of this lease). The rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of such release, wearing out, unsuitableness for use, loss or destruction. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens and encumbrances, and such rollingstock shall be marked in accordance with the provisions of Paragraph Third hereof. At the time of every such replacement of the Company shall deliver to the Trustee a certificate of the President or a Vice President of the Company stating the value of the Trust Equipment so released, worn out, unsuitable for use, lost, or destroyed and the cost of such new equipment, together with a bill or bills of sale, an opinion of counsel (who may be of counsel to the Company) satisfactory to the Trustee and a certificate as to delivery, in like manner as if provided in Section 5 of Article I of said agreement except that such certificate shall be made by an officer of the Company. Thereupon the Trustee shall execute to the Company a supplemental lease of such new equipment, describing the same, and subject to the terms and conditions thereof and of said agreement and such new equipment shall be deemed part of the trust Equipment subject to all of the terms and conditions hereof and of said agreement as though it had been part of the original Trust Equipment.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this lease, an accurate statement of the amount, description and numbers of The Trust Equipment then covered hereby showing (a) the Trust Equipment then in Actural service, (b) the amount, description and numbers of all that may have been worn out, or that may have become unsuitable for use, or lost, released or destroyed by accident or other wise and the replacement s thereof, and (c) the amount, description and numbers of all then undergoing repairs or then withdrawn from use for repairs. Together with said statement the Company shall furnish to the Trustee also a statement signed by its President or a Vice-President, stating that in the case of all of the Trust Equipment repainted or repaired during the preceding year the plates or marks required by Paragraph Third hereof have been preserved, or that the same when repainted or repaired have been again marked as required by said Paragraph. And the Trustee shall have the right, by its agents, but shall be under no duty, to inspect the Trust Equipment once in every year during the continuance of this lease.

(c) The Company covenants and agrees to indemnify the Trustee against all claims arising out of or connected with the ownership or use of any of the leased Trust Equipment of replacements thereof, and particularly against any or all claims arising out of the use of any patented inventions in and about the leased Trust Equipment or replacements and to comply in all respects with the laws of the United States and of all the States in which the Trust Equipment, or any thereof, may be operated, and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachment, air brakes or other appliances; provided, however, that the Company may in goodfaith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates. The Company shall not be relieved from any of its obligations under this lease by reason of the assertion or enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof

FIFTH: The company, so long as it shall not be in default under this lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines or railroad owned or operated by it or by any corporation a majority of whose stock shall be owned directly or indirectly by the Company or over which the Company or any such corporation has trackage rights, and shall also be entitled to the use of the cars included in the Trust Equipment upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Company, but only upon and subject to all the terms and conditions of this lease.

The Company covenants to file and record this lease and said agreement and any supplemental lease provided for herein or in said agreement, as provided in Section 4 of Article III of said agreement.

The Company shall not assign or transfer this lease, or transfer or sublet (except to some company all of whose capital stock is owned by the Company) the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. A transfer to a railroad company which shall acquire all or substantially all the lines of railroad of the Company and which shall assume and agree to perform each and all the obligations and covenants of the Company hereunder and under said agreement shall not be deemed a breach of this covenant, but a transfer through insolvency or under judicial process shall be deemed a breach of this covenant.

SIXTH: In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of its rights or interest in the Trust Equipment or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment with Thirty (30) days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty (30) days to deposit with the Trustee a sum in cash equal to the original cost of the Trust Equipment so assigned or transferred or subleased and not so recovered (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease and the recovery of possession by the Company or such Trust Equipment), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, then, in any such case (herein and in said agreement sometimes called events of default), the Trustee, at its option, may, and upon the written request of the holders of twenty-five per centum in par value of the then outstanding Trust Certificates shall by notice in writing delivered to the Company declare to be due and payable forthwith the entire amount of the rentals (including any unpaid advance rental) Payable by the Company as set forth in Paragraph First of this lease, and not theretofore paid; and thereupon the entire amount of said rentals shall become and shall be due and payable immediately, without further demand, together with interest at the rate per annum allowed by law on any portion thereof overdue and for the total amount so becoming forthwith payable by the Company, the Trustee shall be entitled to recover judgment, with interest at the rate permitted by law; and to collect such judgment out of any property of the Company whereever

situate. Any and all moneys so collected by the Trustee shall be applied by it as hereinafter in this Paragraph Sixth provided. The Company covenants that the Trustee, in case of the happening of any such event of default, also may by its agents enter upon the railroads and premises of the Company and of any corporation a majority of whose capital stock is owned directly or indirectly by the Company and take possession of all or any partof the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collet, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease the Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after making the declaration hereinabove provided for) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety, or in separate lots, so far as may be necessary to perform and fulfill the trusts under said agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said agreement and under this lease in the manner therein and herein provided. Any such sale or sales may be held or conducted at such place or places and at such time or times as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall, in case of happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Duluth, Missabe and Northern Railway Equipment Trust of 1937. No such taking possession or withdrawal or lease of sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sums shall have been realized as with the proceeds of the lease or sale of the Trust Equipment shall be sufficient for the discharge and payment in full of all the various items mentioned in Paragraph First hereof, whether they shall have been matured or not. The holders of a majority in par value of the Trust Certificates shall have the right from time to time, upon furnishing to the Trustee indemnity satisfactory to it, to direct which of the proceedings above provided for shall be taken for the enforcement of the remedies contained herein.

If, in case of the happening of any such event of default, the Trustee shall exercise any of the powers confered upon it by this Paragraph Sixth, all payments may by the Company to the Trustee under this lease after such event of default, and the proceeds of any judgement collected by the Trustee from the Company hereunder, and the proceeds of every sale or lease by the Trustee hereunder of any of the Trust Equipment and replacements, together with any other sums which may then be held by the Trustee under any of the provisions of this lease, shall be applied by the Trustee in the order of priority following, viz.: (a), to the payment of all proper charges of the Trustee and of all expenses propsly incurred or advances made by the Trustee in accordance with the provisions of this lease, including the expense of any retaking of the whole or any part of the Trust Equipment and all expenses of any sale or lease thereof, and (b), to the payment of all sums of money due and payable to the Trustee under the provisions of this lease.

After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed to the Trustee to the Company, free from any further liabilities or obligations to the Trustee hereunder. If after applying all of such sums of money realized by the Trustee as aforesaid, there shall remain any amount due to the Trustee under the provisions of this lease, the Company agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee, there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company , a upon the majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company shall, at its own expense, forthwith and in the usual manner, cause the Trust Equipment to be moved to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep the Trust Equipment on any of the lines of railroad or premises of the Company until the Trustee shall have leased, sold or otherwise have disposed of the same, and for such purpose the Company agrees to furnish, without charge for rent or storage, the necessary facilities at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that, upon application to any court having jurisdiction of the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this lease and in said agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

The foregoing provisions, however, are subjest to the condition that if at any time after the Trust Certificates shall have been declared due and payable, as provided in said agreement; but before March 1, 1952, all arrears of rentals (with interest upon any overdue installment at the rate per annum allowd by law).

the expenses of the Trustee and other sums which shall have become due and payable by the Company, under this lease or under said agreement (other than the principal of Trust Certificates and rental installment which shall not at the time have matured according to their terms), shall be paid by the company before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment and every other default in the observance or performance of and covenant or conditions of this lease or said agreement shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the bearers or registered owners of a majority in par value of the Trust Certificates then outstanding and which shall not have then matured according to their terms shall, by written notice to the Company, waive the default by reason of which the Trust Certificates shall have been declared and become due and the consequences of such default, but no such waiver shall extend to or affect and subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act, against the Company or in respect to the Trust Equipment, on the part of the Trustee or on the part of any bearer or registered owner of any Trust Certificate or the bearer of any dividend warrant, nor any delay or indulgence granted to the Company by the Trustee or any such holder, shall affect the obligations of the Company under this lease of under said agreement or under its guaranty.

SEVENTH: It being desirable for the interests of both parties to this lease that any of the Trust Equipment, which in any respect shall have become worn out, or unsuitable for the use of the Company, shall be released and promptly sold and replaced, it is hereby mutually understood and agreed that at any time hereafter until title thereto shall become vested in the Company, the Trustee will sell any such pieces of the Trust Equipment or replacements then subject to this lease, upon the written request of the Company, signed by its Treasurer or an Assistant Treasurer, accompanied by a certified copy of a resolution of its Board of Directors of Executive Committee, authorizing such request, describing such pieces and reciting that they have become worn out or unsuitable for the use of the Company, stating the selling price thereof and specifying the original cost and fair value of such Trust Equipment; provided, however, that the proceeds of such sale or sales, and any money paid to the Trustee as in Paragraph Fourth of this lease provided, shall be received by the Trustee in trust for the benefit of the holders of the Trust Certificates pending replacement of such Trust Equipment, and upon like written request of the Company, accompanied by a certified copy of a resolution of its Board of Directors or Executive Committee, authorizing such request and specifying the cost of any Trust Equipment to be purchased, either (a) it shall be applied to the purchase of new standard-gauge rolling stock of equal value and of substantially as good material and construction as shown by certificate in writing by an officer of the Company, which in all respects shall be treated as hereinabove provided for replacements, and which shall become and shall be subject to this lease and to all the terms and conditions hereof, or (b) it shall be held by the Trustee until so applied. No such sale shall be made for less than the fair value of the piece sold as in good repair at the time of

sale, unless and until the Company shall have paid to the Trustee the difference between the price at which it is to be sold and such fair value as in good repair. For the purposes of this Paragraph and of Paragraph Fourth of this lease, the fair value of any piece of the Trust Equipment in good repair shall be considered to be the original cost thereof less one-twelfth of five per cent. (5%) of said original cost for each full month during which this lease has run prior to the date at which the fair falue is so to be determined.

The Trustee may accept as conclusive evidence thereof, the cost of any Trust Equipment to be purchased or the original cost or fair value of any Equipment to be sold, as the same shall be certified by the Company as aforesaid. The Trustee shall incur no liability or responsibility whatever by reason of any action taken or suffered in reliance on any such certification.

EIGHTH: This lease may be simultaneously executed in several counterparts each of which, so executed, shall be deemed to be an original.

NINTH: This lease shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Continental Illinois National Bank and Trust Company of Chicago, as Trustee, acting in accordance with the terms and conditions of said agreement, and the Duluth, Missabe and Northern Railway Company, pursuant to the due corporate authority have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, as of the day and year first above written.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
By- F. E. Musgrove
Vice-President

Attest:
E.B.Stofft
Assistant Secretary.

Signed, sealed and delivered
in the presence of:
E. J. Friedrich
R. W. Swezey

DULUTH, MISSABE AND NORTHERN
RAILWAY COMPANY
By- C. E. Carlson
President

Attest:
J. W. Kempton
Secretary.

Signed, sealed and delivered
in the presence of:
A. R. Morton
E. J. Friedrich

STATE OF ILLINOIS,)SS.:
COUNTY OF COOK,)

I, PAUL B. ROBB, a Notary Public in and for the State and County aforesaid, do hereby certify that the within-names F. E. MUSGROVE and E. B. STOFFT, vice-president and assistant secretary respectively of the within-names Continental Illinois National Bank and Trust Company of Chicago, Personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such vice-president and assistant secretary respectively, and to be such vice-president and assistant secretary respectively, appeared before me this day in person, and, being by me severally duly sworn, did each for himself and not one for the other, severally depose and say and acknowledge that the said F. E. MUSGROVE is the vice-president, and that the said E.B.STOFFT, is the assistant secretary, of the said Continental Illinois National Bank and Trust Company of Chicago, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was executed, signed and sealed in behalf of said corporation by authority of its board of directors; that they as such vice-president and assistant secretary respectively executed, signed, sealed and delivered said instrument as the free and voluntary act and deed ofsaid corporation and as their own free voluntary acts as such vice-president and assistant secretary respectively thereunto duly authorized for the uses and purposes therein set forth.

Given under my hand and seal this 13th day of March, 1937.

Paul B. Robb
My commission expires July 12, 1939
Notary Public, Cook County, Illinois

(Seal of Notary Public)

STATE OF ILLINOIS,)ss.:
COUNTY OF COOK,)

I, PAUL B. ROBB, a Notary Public in and for the State and County aforesaid, do hereby certify that the within-named C.E. CARLSON and J.W. KEMPTON, president and secretary respectively of the within-names DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such president and secretary respectively, and to be such president and secretary respectively, appeared before me this day in person, and, being by me severally duly sworn, did each for himslef and not one for the other, severally depose and say and acknowledge that the said C.E. CARLSON is the president, and that the said J.W. KEMPTON is the secretary, of the said DULUTH, MISSABE and NORTHERN RAILWAY COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was executed, signed and sealed in behalf of said corporation by authority of its board of directors; that they as such president and secretary respectively executed, signed, sealed and delivered said instrument as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts as such president and secretary respectively thereunto duly authorized for the uses and purposes therein set forth.

Given under my hand and seal this 13th day of March, 1937

Paul. B. Robb
My commission expires July 12, 1939
Notary Public, Cook County, Illinois

(Notary Public Seal)

STATE OF MINNESOTA
Department of State

I hereby certify that the within instrument was filed for record in this office on the 15th day of March A. D. 1937, at 11 o'clock A. M. and was duly recorded in Book 21 of (Ten R. R. Records on page 3

Mike Holm
(Mike Holm)
Secretary of State.

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 30th day of March A. D. 1937 at 11 o'clock A. M. and recorded in Vol. 33 of R.R. Records on page 7-36.
Robert L. Siebecker
Assistant Secretary of State

INDENTURE

DATED APRIL 15, 1937

By and Between

UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee

&

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC

RAILROAD COMPANY

THIS INDENTURE, made this 15 day of April, A. D. 1937, by and between UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee (hereinafter referred to as "Trustee"), party of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part, WITNESSETH:

THAT WHEREAS, by an instrument bearing date May 1, 1889, and recorded in the office of the Secretary of State of the State of Wisconsin June 17, 1889, in Vol. 8 of Railway Mortgages, pages 406, et seq., Chicago, Milwaukee and St. Paul Railway Company (hereinafter called the "Railway Company") mortgaged to United States Trust Company of New York, as Trustee, as security for certain bonds therein particularly described and referred to, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the party of the first part, which mortgage is hereinafter referred to as "General Mortgage;" and

WHEREAS, in and by Article XI of said General Mortgage, it is provided that upon the certificate of the Railway Company expressed by resolution of its Board of Directors or Executive Committee, duly certified, setting forth that the Railway Company desires to dispose of any real or personal property covered by said General Mortgage, and that the same is no longer requisite or convenient for the operation of the lines of railway conveyed by said General Mortgage, and that it is for the interest of the parties thereto that the same be sold or disposed of, the said Trustee shall, from time to time, release such property from the lien and operation of said General Mortgage; and

WHEREAS, the Railroad Company party of the second part herein, is the grantee of and successor to the Railway Company in the ownership of the lines of railway and property subject to the lien of said General Mortgage and has assumed the obligations of the Railway Company in respect of said General Mortgage and of the bonds issued and outstanding thereunder; and

WHEREAS, the use of the property hereinafter particularly described and released by the party of the first part, from the lien of said General Mortgage is no longer requisite, necessary, convenient, or advantagious for the use or convenience of the Railroad Company in connection with, or in the operation of, the lines of railway conveyed by, and subject to, the lien of said General Mortgage, or other lines of railway which may be subject thereto, and it is to the interest of said Railroad Company and of the Trustee under said General

Hammocks	8	S.H.	50% of New	.62½ ea.	5.00
Pillows	16	"	"	1.49 ea.	23.84
Pillow Covers	16	"	"	.37½ ea.	6.00
Upper Berth Springs	4	"	"	1 .12½ ea	4.50
Mattresses	8	"	"	14.00 ea.	112.00
Supplementary Curtains	4	"	"	1.25 ea.	5.00
Berth Curtains-Prs.	4	"	"	17.50 pr.	70.00
Safety Straps	4	"	"	2.75 ea.	11.00
Coat Hangers	16	"	"	.64½ ea.	10.32
			TOTAL		$ 782.08
Axles 5½x10" 788# ea.	4000	S.H.	75% of New	$17.14 ea.	$ 68,560.00
C.I. Car Wheels 5½x10 750# ea.	8000	New		9.09 ea.	72,720.00
Brake Shoes Freight 20½# ea.	8000	"		.36½ ea.	2,920.00
C.I. Trust Plates 3# ea. 9000#	3000	"	$3.23 cwt.	.097 ea.	194.00
C.I. Badge Plates 3½# ea 3500#	1000	"	$3.23 cwt.	.113 ea.	113.00
Scrap Axles, for Follower Plates #4's 788# ea.	336	Scrap	$22 N-ton	8.67 ea.	2,913.12
Class D Inner Coil Springs 6¼# ea.	16000	S.H.	60% of New	.176 ea.	2,816.00
Class D Outer Coil Cprings 22¼# ea.	16000	S.H.	"	.627 ea.	10,032.00
Journal Box Packing	95000#			5.72 cwt.	5,434.00
Drawings and designs		New			1,000.00
Jigsand Dies		New and S.H.			8,000.00
Patterns		New			100.00
TO BE MADE IN FOUNDRY MISCL. Castings-Small	2400#	"		3.23 cwt.	77.52
			TOTAL		$174,879.64
Brake Shoes, Pass. 22¼# ea.	528	New		.396 ea.	$ 209.09
C.I. Trust Plates 3# ea. 198#	66	New	$3.23 cwt.	.097 ea.	64.02
Scrap Axles, for Follower Plates, #4's 788# ea.	14	Scrap	$22 N-ton	8.67 ea.	121.38
Dies for Exturded Moulding at Plant of Bohn Aluminum Co., Detroit, A, B, C, D, E, and Bottom Rail	6	S.H.		20.00 ea.	120.00
Drawings and Designs		New			500.00
Jigs and Dies		New & S.H.			2000.00
Patterns		New			50.00
Oil Burner Parts C.I	2641#	New		3.23 cwt.	85.30

Spear Heater Parts C.I.	227#	New	3.23 cwt	7.33
TO BE MADE IN FOUNDRY Miscellaneous Small Castings C.I.	1600#	New	3.23 cwt.	41.68
		TOTAL		$3198.80

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Fifty-Year Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, Guaranty Trust Company of New York, Trustee, has caused these presents to be executed in its corporate name by its Vice President with its corporate seal hereto affixed, attested by its Assistant Secretary, and said Merrel P. Callaway has hereunto set his hand and seal all on the day and year first above written.

GUARANTY TRUST COMPANY OF NEW YORK,

By Kingsley Kunhardt
Vice-President

Attest:

H. Knudsen
Assistant Secretary

Merrel P. Callaway (SEAL)

In the presence of:

Frank J. Murphy

E. R. Coffeen

(This is page 7 of Instrument dated 5/3/37 releasing from lien of Chicago, Milwaukee, St. Paul and Pacific Railroad Company Mortgage and Deed of Trust dd as of 2/2/25 certain materials and parts and conveying same to U. P. Nelson and Paul B. Robb.)

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 4th day of May, 1937, the within named KINGSLEY KUNHARDT, Vice-President of guaranty Trust Company of New York, and H. KNUDSEN, Assistant Secretary of Guaranty Trust Company of New York, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 4th day of May, A.D. 1937.

(Notarial seal)

W. J. Burnham
Notary Public

W.J. Burnham
Notary Public, New York County
N.Y. Co.Clerk's No.346, Reg. No.8-B-90
Queens Co.Clerk's No.658, Reg.No.2930
Kings Co.Clerk's No.274, Reg.No.8416
Nassau Co. Clerk's No.8-B-29
Certificate filed in Westchester Co.
Commission Expires March 30, 1938

STATE OF NEW YORK)
(SS
NEW YORK COUNTY)

Personally came before me this 5th day of May 1937, the within named Merrel P. Callaway, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 5th day of May, A. D. 1937.

(Notarial seal)

W. J. Burnham
Notary Public

W. J. Burnham
Notary Public, New York County
N.Y. Co.Clerk's No.346, Reg.No. 8-B-90
Queens Co.Clerk's No.658, Reg. No.2930
Kings Co.Clerk's No.274, Reg.No. 8416
Nassau Co. Clerk's No.8-B-29
Certificate filed in Westchester Co.
Commission Expires March 30, 1938

State of Wisconsin, ss.
DEPARTMENT OF STATE
Received this 15th day of May A. D. 1937 at 8:15 o'clock A. M. and recorded in Vol. 53 of R. R. Mtgs. on page 46-50 inclusive
Robert P. Sutherland
Assistant Secretary of State

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INDENTURE

DATED MAY 13th, 1937
By and Between

NATIONAL CITY BANK OF NEWYORK,

&

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC

RAILROAD COMPANY

INDENTURE MADE THIS 13th day of May, A.D. 1937, by and between THE NATIONAL CITY BANK OF NEWYORK, a corporation organized and existing as a national banking association under the laws of the United State of America, and WILLIAM W. HOFFMANN, of the City of New York in said State, as Trustees (hereinafter referred to as the "Trustees") parties of the first part and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part.

WHEREAS, by an instrument bearing date as of February 2, 1925, (hereinafter referred to as "Adjustment Mortgage") and filed for record in the office of the Secretary of State of the State of Wisconsin, and there recorded in Book 29 of Railroad Mortgages, page 1, on the 8th day of March, 1928, the Railroad Company mortgaged to said Trustees as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part; and

WHEREAS, in and by Article Twelve of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Twelve prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolutions, opinion and certificate as in Section 12 of said Article Twelve provided, shall release from the lien and operation of said Adjustment Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said Adjustment Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON AND PAUL B. ROBB, the property hereinafter described for the cash consideration of One Hundred Seventy Eight Thousand, Eight Hundred Sixty Dollars and Fifty-Two Cents, ($178,860.52) and have requested the parties of the first part to release the property hereinafter described from the lien of said Adjustment Mortgage; and

WHEREAS, United States Trust Company of New York, Trustee under the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor to the Railroad Company in the ownership of said property) dated May 1, 1889, which mortgage is a lien upon said property prior to the lien of said Adjustment mortgage, has released said property from the lien of said General Mortgage; and

WHEREAS, the Railroad Company has delivered to the Trustees, a certificate of the Corporate Trustee under its First and Refunding Mortgage that the Trustees thereunder have released said property from the lien of that mortgage, in pursuance or its provisions governing releases of mortgaged property; and

WHEREAS, the Trustees under the Fifty-Year Mortgage of the Railroad Company, dated as of February 2, 1925, which mortgage is a lien upon said property prior to the lien of the Adjustment Mortgage, have executed, or simultaneously herewith will execute, a release of said property from the lien of the Fifty-Year Mortgage; and

WHEREAS the recitals herein contained are made only in behalf of said Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar ($1.00) to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid Adjustment Mortgage, the property which is particularly described as follows, to-wit:

Items	Number of Units	Second-hand or New	Price Base	Unit Price	Amount
Bunks	4	S.H.	50% of New	$30.00 ea.	$120.00
Bunk Spiders (with springs & chains)	8	"	"	4.21 ea.	33.68
Bunk Latches #4	8	"	"	.32½ea.	2.60
Berth Swing latches No. 52	8	"	"	.27 ea.	2.16
Berth Swings	4	"	"	6.00 ea.	24.00
Berth Swing Lock Rods with Springs and Operating Levers	4	"	"	1.75 ea.	7.00
Bunk Bushings	4	"	"	.05 ea.	.20
Bunk Arms with Locks and Clevises	4	"	"	1.00 ea.	4.00
Hand Seat Guides R&L	16	"	"	.87½ea.	14.00
Head Boards	2	"	"	1.12½ea.	2.25
Head Board Hinges #3	6	"	"	.39½ea.	2.36
Seat Ends - End	4	"	"	4.50 ea.	18.00
Seat Ends - Center	2	"	"	8.00 ea.	16.00
Bunk Partitions	2	"	"	10.50 ea.	21.00
Head Board Locks #8	2	"	"	.62½ea.	1.25
Hammock Hooks #18167E	8	"	"	.09½ea	.78
Seats	8	"	"	13.50 ea.	108.00
Seat Backs	8	"	"	12.50 ea.	100.00
Tilting Backs	8	"	"	4.00 ea.	32.00
Brass Arm Strips	8	"	"	.20 ea.	1.60
Double Type Coat Hanger Rods.	4	"	"	1.00 ea.	4.00
Lower Berth Light Fixtures #6400	8	"	"	1.75 ea.	14.00
Upper Berth Light Fixtures #6500	8	"	"	.69½ea.	5.54
Hammocks	8	"	"	.62½ea.	5.00

Pillows	16	S.H.	50% of New	1.49 ea.	23.84
Pillow Covers	16	"	"	.37½ea.	6.00
Upper Berth Springs	4	"	"	1.12½ea.	4.50
Mattresses	8	"	"	14.00 ea.	112.00
Supplementary Curtains	4	"	"	1.25 ea.	5.00
Berth Curtains-Prs.	4	"	"	17.50 pr.	70.00
Safety Straps	4	"	"	2.75 ea.	11.00
Coat Hangers	16	"	"	.64½ea.	10.32
			TOTAL		$782.08
Axles 5½x10" 788# ea.	4000	S.H.	75% of New	$17.14 ea.	$68,560.00
C.I. Car Wheels 5½x10 750# ea.	8000	New		9.09 ea.	72,720.00
Brake Shoes, Freight 20½ # ea.	8000	New		.36½ea.	2,920.00
C.I. Trust Plates 3# ea.9000#	3000	"	$3.23 cwt.	.097ea.	194.00
C.I.Badge Plates 3½#ea 3500#	1000	"	$3.23 cwt.	.113 ea.	113.00
Scrap Axles, for Follower Plates #4's 788# ea.	336	Scrap	$22 N-ton	8.67 ea.	2,913.12
Class D Inner Coil Springs 6½#ea.	16000	S.H.	60% of New	.176 ea.	2,816.00
Class D Outer Coil Springs 22½#ea.	16000	"	60% of New	.627 ea.	10,032.00
Journal Box Packing	95000#			5.72 cwt.	5,434.00
Drawings and designs		New			1,000.00
Jigs and Dies		New & S.H.			8,000.00
Patterns		New			100.00
TO BE MADE IN FOUNDRY Miscl. Castings-Small	2400#	New		3.23 cwt.	77.52
			TOTAL		$174,879.64
Brake Shoes Pass. 22½#ea.	528	New		.396 ea.	$ 209.09
C.I. Trust Plates 3# ea. 198#	66	"	$3.23 cwt.	.097 ea.	64.02
Scrap Axles, for Follower Plates, #4's 788# ea.	14	Scrap	$22 N-ton	8.67 ea.	121.38
Dies for Extruded Moulding at Plant of Bohn Aluminum Co., Detroit, A., B, C, D, E, and Bottom Rail	6	S.H.		20.00 ea.	120.00
Drawings and Designs		New			500.00
Jigs and Dies		New & S.H.			2000.00
Patterns		New			50.00
Oil Burner Parts C.I.	2641#	New		3.23 cwt	85.30
Spear Heater Parts C.I.	227#	New		3.23 cwt.	7.33

TO BE MADE IN FOUNDRY Miscellaneous Small Castings C. I.	1600#	New	3.23 cwt.	41.68
		T O T A L		$3198.80

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Adjustment Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, The National City Bank of New York, Trustee, has caused these presents to be executed in its corporate name by its Vice-President with its corporate seal hereto affixed, attested by its Assistant Cashier, and said William W. Hoffman has hereunto set his hand and seal, all on the day and year first above written.

THE NATIONAL CITY BANK OF NEW YORK,
TRUSTEE,

(Corporate Seal) By Stewart C. Pratt
Vice-President

Attest
H. G. Bechtel
Assistant Cashier

William W. Hoffman (SEAL)

In the presence of:
Nelson Stewart
E.F. Mitchell

STATE OF NEW YORK)
NEW YORK COUNTY) (SS

Personally came before me, this 13th day of May, 1937, the within named Stewart C. Pratt Vice-President of The National City Bank of New York and H.G. Bechtel, Assistant Cashier of The National City Bank of New York, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVE under my hand and notarial seal this 13th day of May, A.D. 1937.

(Notarial Seal) Francis M. Pitt
Notary Public

Francis M.Pitt
Notary Public Kings Co.No264,Reg.No.9030
Cert. Filed in N.Y.Co.No.67,Reg.No.9-P-38
Commission expires March 30, 1939

STATE OF NEW YORK)
NEW YORK COUNTY) SS

Personally came before me this 13th day of May, 1937, the within named William W. Hoffman, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 13th day of May, A.D. 1937.

(Notarial Seal) Francis M.Pitt
Notary Public

Francis M.Pitt
Notary Public Kings Co.No.264,Reg.No.9030
Cert.filed in N.Y.Co.No.67,Reg.No,9-P-38
Commission expires March 30, 1939

State of Wisconsin
DEPARTMENT OF STATE) ss.
Received this 15th day of May A. D. 1937 at 8:15 o'clock A. M. and recorded in Vol. 33 of A. R. Mtgs. etc. on pages 51 - 54 - inclusive
Robert L. Sutherland
Assistant Secretary of State

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ILLINOIS CENTRAL EQUIPMENT TRUST
Series R

LEASE OF RAILROAD EQUIPMENT
Dated March 1, 1937

THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, Trustee, Lessor
To
ILLINOIS CENTRAL RAILROAD COMPANY, Lessee

AGREEMENT
Dated March 1, 1937
GEORGE SMITH AND H. J. WYLIE, Vendors
With
THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, Trustee
And
ILLINOIS CENTRAL RAILROAD COMPANY

Executed in twenty-five counterparts of which this is Number 5.

Lease of Railroad Equipment, dated the first day of March, 1937, between THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter called the Trustee), Lessor, and party of the first part, and ILLINOIS CENTRAL RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter called the Company), Lessee, and party of the second part:

WHEREAS, by a certain Agreement, bearing date the first day of March, 1937, between George Smith and H. J. Wylie, Vendors, said The Pennsylvania Company for Insurances on Lives and Granting Annuities, as Trustee, and Illinois Central Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Illinois Central Equipment Trust, Series R", under which the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, Trustee as aforesaid (acting in pursuance of said Agreement), party of

the first part, for and in consideration as well of the sum of one dollar to it paid by ILLINOIS CENTRAL RAILROAD COMPANY, party of the second part, at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company all the railroad equipment of the Illinois Central Equipment Trust, Series R (hereinafter collectively called the Trust Equipment), to wit:

500 50-ton steel hopper cars, to be numbered 209,000 to 209,499, both inclusive; The Ryan Car Company, builder.

500 50-ton steel hopper cars, to be numbered 209,500 to 209,999, both inclusive; Pressed Steel Car Company, Inc., builder.

500 40-ton, 40'6" steel box cars, wood-lined throughout, to be numbered 166,000 to 166,499, both inclusive; Pullman Standard Car Manufacturing Company, builder.

500 40-ton, 40'6" steel box cars, wood-lined throughout, to be numbered 166,500 to 166,999, both inclusive; American Car and Foundry Company, builder.

200 40-ton, 50'6" steel box cars, wood-lined throughout, except ceiling, to be equipped with auto-truck loading devices, to be numbered 161,501 to 161,700, both inclusive; General American Transportation Corporation, builder.

600 40-ton, 50'6" steel box cars, wood-lined throughout, to be numbered 161,701 to 162,300, both inclusive; General American Transportation Corporation, builder.

300 40-ton steel refrigerator cars, fully insulated, wood-lined throughout, to be numbered 50,000 to 50,299, both inclusive; General American Transportation Corporation, builder.

20 40-ton, 50' steel passenger-train box cars, wood-lined throughout, to be numbered 500 to 519, both inclusive; American Car and Foundry Company, builder.

Together with such additional railroad equipment as shall be acquired for said trust and subjected to this Lease as hereinafter provided.

The estimated cost of the railroad equipment above specifically described, when completed, has been certified to the Trustee to be not less than $9,410,487.

In case the actual cost of said equipment specifically described shall not amount to at least said sum, then in addition to said equipment above specifically described, there may be acquired by the Vendors and subjected to this Lease (subject, however, to the provisions of Section 5 of Article 1 of said Agreement) other new railroad rolling stock, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least said sum; and the Trustee shall execute to the Company a supplemental lease thereof, describing the same, upon and subject to the terms and conditions hereof and of said Agreement, and such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Company and shall upon such delivery to the Company, *ipso facto*, and without further instrument of lease or transfer pass under and become subject to all the terms and provisions of this Lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

FIRST. The Company hereby accepts (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee or its successors or assigns (or in case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as, at the time of payment, is legal tender for the payment of public and private debts in the United States of America, rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, as and when any of the Trust Equipment shall be delivered to the Company, amounts in cash representing the advance rentals equal to the difference between the cost of the Trust Equipment so delivered, as certified to the Trustee by the President, a Vice-President or the Comptroller of the Company, and the principal amount of Trust Certificates issuable in respect thereof as provided in Section 2 of Article I of said Agreement, provided that the aggregate of all amounts so paid to the Trustee shall never be less than 25 per cent. of the cost of all the Trust Equipment which shall then and theretofore have been delivered hereunder.

(b) The necessary and reasonable expenses of the trust, including all expenses connected with the Trust Equipment and said Lease thereof.

(c) Any and all taxes, assessments and governmental charges upon the income or property of the trust, or the agreements evidencing the same, which the Trustee under said Agreement may be required to pay, but excluding any and all taxes, assessments and governmental charges which the Company or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends payable thereon, under any present or future law of the United States of America or of any state, county, municipality or other taxing authority therein.

(d) The dividend warrants attached to the Trust Certificates when and as the same shall become payable, and in case of the issue of temporary certificates without dividend warrants, the dividends

accrued and payable thereunder.

(e) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof, to wit:

September 1, 1937	$235,000
March 1, 1938	235,000
September 1, 1938	235,000
March 1, 1939	235,000
September 1, 1939	235,000
March 1, 1940	235,000
September 1, 1940	235,000
March 1, 1941	235,000
September 1, 1941	235,000
March 1, 1942	235,000
September 1, 1942	235,000
March 1, 1943	235,000
September 1, 1943	235,000
March 1, 1944	235,000
September 1, 1944	235,000
March 1, 1945	235,000
September 1, 1945	235,000
March 1, 1946	235,000
September 1, 1946	235,000
March 1, 1947	235,000
September 1, 1947	235,000
March 1, 1948	235,000
September 1, 1948	235,000
March 1, 1949	235,000
September 1, 1949	235,000
March 1, 1950	235,000
September 1, 1950	235,000
March 1, 1951	235,000
September 1, 1951	235,000
March 1, 1952	235,000

(f) If ~~any~~ default shall be made in the full payment of any such dividend warrants, dividends or principal when and as the same shall become due and payable as aforesaid, interest on such unpaid dividend warrants, dividends or principal at the rate of three per cent. (3%) per annum.

The Company shall not be required, however, to pay any tax, assessment or governmental charge so long as the Company shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered.

SECOND. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet, discharge and cancel all the interests in said Illinois Central Equipment Trust, Series R, created in respect

of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of this Lease and after all such payments shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Company simultaneously with or after the execution hereof, shall be assigned and transferred by the Trustee to the Company or its nominee or nominees, and shall be and become the absolute property of the Company or its nominee or nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company, but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company.

THIRD. It being desirable for the interests of both parties to this lease that any of the Trust Equipment which in any respect shall have become unsuitable for the use of the Company shall be promptly sold and replaced, it is hereby agreed that upon the written request of the Company, stating that the use of any of the Trust Equipment is no longer required by the Company, evidenced by a resolution of its Board of Directors or Executive Committee, the Trustee will, while the Company is not in default hereunder, sell such equipment and execute and deliver a bill of sale assigning and transferring to the purchaser the absolute title thereto; provided, however, that none of the Trust Equipment shall be so assigned or transferred, unless simultaneously the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Company a sum in cash equal to the difference, if any, between said purchase price and the fair value of the equipment sold as in good repair at the time of sale. For this purpose the fair value of the sold equipment as in good repair shall be considered to be the original cost thereof less five per cent. (5%) of said original cost for each full year elapsed since the delivery to the Company hereunder of the sold equipment. The sums so paid to the Trustee shall be applied by it to the purchase of new railroad rolling stock as specified by the Company, free from liens, and upon the delivery of such new equipment to the Trustee accompanied by a bill or bills of sale, an opinion of counsel and a certificate as to delivery and cost in like manner as is provided in Section 5 of Article I of said Agreement. Until so applied by the Trustee, said sums shall be held by the Trustee in trust for the benefit of the holders of the Trust Certificates and dividend warrants. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all of the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Company and the Trustee shall execute a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof. The term "Trust Equipment", wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

FOURTH. At or before the delivery to the Company of each unit of equip-

ment constituting the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case with appropriate changes thereof or additions thereto as from time to time may be required by law in order to protect the interest of the Trustee, in letters not less than one inch in size:

"Illinois Central Equipment Trust, Series R, The Pennsylvania Company for Insurances on Lives and Granting Annuities, Trustee, Owner and Lessor."

Such plate or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of said equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored, or replaced. The Company will not change, or permit to be changed, the numbers upon equipment covered by this Lease (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which shall previously have been filed with the Trustee by the Company.

The Trust Equipment may be lettered "Illinois Central Railroad Company," "Illinois Central," "I. C.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein; but the Company, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association, or corporation other than the Trustee. Nothing in this paragraph shall prohibit the use of equipment herein leased under any pooling arrangement that may be required during the life thereof by governmental agencies, or that may be desired by the Company, so long as identification of the leasehold interest of the Company is evidenced, and where it becomes necessary to show the name of any person, association, or corporation on any of the trust equipment, such designation shall be in a manner that will not cause interpretation of a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FIFTH. (a) The Company, during the continuance of this Lease, will maintain and keep all of the Trust Equipment in good order and repair, at its own proper cost and charge, and will replace, at its own cost, any of the Trust Equipment that may be worn out, lost or destroyed, by new railroad rolling stock of a value at least equal to the value (undepreciated), immediately prior to the wearing out, loss or destruction of the Trust Equipment replaced, the value of the new rolling stock to be figured at cost if that be below market value, or at market value if that be below cost. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Company shall deliver to the Trustee a certificate of the President, a Vice-President or the Comptroller of the Company stating the value (undepreciated) of the Trust

Equipment so worn out, lost or destroyed, as of a date immediately prior to such wearing out, loss or destruction, and the cost and the reasonable market value of such replacement. In addition the Company shall furnish the Trustee with a bill of sale of such new equipment from the manufacturers or owners to the Trustee and a certificate as to delivery in like manner as provided in Section 5 of Article I of the Agreement, together with an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) that such bill or bills of sale are valid and effective, either alone or in connection therewith, to vest in the Trustee, free from all liens and encumbrances, the title so transferred to the Trustee.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this Lease, an accurate statement of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost or destroyed by accident or otherwise, and the number of cars repaired during the previous year. Together with said statement the Company shall also furnish to the Trustee a statement signed by its Superintendent of Motive Power, stating that in the case of all of the Trust Equipment repainted during the preceding year, the mark required by Article Fourth hereof has been preserved, or that the same when repainted has been again marked as required by said Article. And the Trustee shall have the right, by its agents, to inspect the Trust Equipment once in every year during the continuance of this Lease.

(c) The Company covenants and agrees to indemnify and protect the Trustee in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States of America and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such law, act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SIXTH. The Company, so long as it shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned or operated by it or over which it has trackage rights, and upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Company, but only upon and subject to all the terms and conditions of this Lease.

The Company will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such

written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment (except as to any pooling arrangement that may be required by any governmental agency or which may seem desirable on the part of the Company as provided in Article Fourth hereof, but in any event consent of the Trustee shall be obtained first before such arrangements are placed in effect). A transfer to a railroad company which shall acquire all or substantially all of the lines of railroad of the Company, and which shall assume and agree to perform each and all of the obligations of the Company hereunder and under said Agreement, shall not be deemed a breach of this covenant, nor shall the appointment of a temporary receiver or receivers, trustee or trustees, for the Company or its property be deemed such a breach; but the appointment of a permanent receiver or receivers, trustee or trustees, or the approval by a court of competent jurisdiction of a petition under Section 77 of the Bankruptcy Act, or any transfer through insolvency or under judicial process, shall be deemed a breach of this covenant. The Trustee shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of this Lease or transfer or sublease of the Trust Equipment. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SEVENTH. In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of its rights or interest in, or any unauthorized sublease of, the Trust Equipment, or any part thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the original cost of the Trust Equipment so assigned or transferred or subleased, as certified to the Trustee by the President or a Vice-President or the Comptroller of the Company (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease and the recovery of possession by the Company of such Trust Equipment), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee at its option may by its agents, enter upon the railroads

and premises of the Company and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as may be necessary to perform and fulfill the trusts under said Agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company; and no payments theretofore made by the Company for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Illinois Central Equipment Trust, Series R; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Company for rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sum shall have been realized as with the proceeds of the lease or sale of the Trust Equipment shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b), (c), (d), (e) and (f) of Article First hereof, whether they shall have then matured or not.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company will, at its own expense, forthwith and in the usual manner and at the usual speed of freight trains, cause the Trust Equipment to be moved to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or at the option of the Trustee it may keep the Trust Equipment on any of the lines of railroad or premises of the Company until the Trustee shall have leased, sold or otherwise have disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

EIGHTH. This Lease shall be simultaneously executed in twenty-five counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

The Pennsylvania Company for Insurances on Lives and Granting Annuities, Trustee, doth hereby constitute and appoint L. J. Clark to be its attorney for it, and in its name and as and for its corporate act and deed to acknowledge this Lease, before any person having authority by the laws of the Commonwealth of Pennsylvania or elsewhere to take such acknowledgment, to the intent that the same may be duly recorded.

Illinois Central Railroad Company doth hereby constitute and appoint R. E. Connolly to be its attorney for it, and in its name and as and for its corporate act and deed to acknowledge this Lease, before any person having authority by the laws of the Commonwealth of Pennsylvania or elsewhere to take such acknowledgment, to the intent that the same may be duly recorded.

IN WITNESS WHEREOF, the Trustee, acting in accordance with the terms and conditions of said Agreement, and the Company, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, as of the day and year first above written.

THE PENNSYLVANIA COMPANY FOR INSURANCES
ON LIVES AND GRANTING ANNUITIES,
Trustee,

By.....L.J.CLARK.....
Vice-President.

Attest:

.....H. E. Righter.....
Assistant Secretary (Seal)

Signed, sealed and delivered by The Pennsylvania Company for Insurances on Lives and Granting Annuities in the presence of:

C. Fox

F. H. Hepperlen

ILLINOIS CENTRAL RAILROAD COMPANY,

By R. E. Connolly
Vice-President.

Attest:

C. E. Kuck (Seal)
Assistant Secretary

Signed, sealed and delivered by Illinois Central Railroad Company in the presence of:

C. Fox
F. H. Hepperlen

UNITED STATES OF AMERICA,)
COMMONWEALTH of PENNSYLVANIA, (SS
CITY AND COUNTY of PHILADELPHIA,)

I, J. WALLACE HENSLER, a notary public in and for the City and County of Philadelphia, Commonwealth of Pennsylvania, do hereby certify and be it remembered that the above annexed and foregoing instrument of writing was produced to me in my county by the parties thereunto on this 12th day of May, 1937, and that this day at the same time before me the undersigned, a notary public duly commissioned and qualified within and for the county aforesaid personally and in person came and appeared the above and within named L. J. Clark, Vice-President of the above named THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation duly organized, incorporated and existing under and by the laws of the Commonwealth of Pennsylvania and H. E. Righter, Assistant Secretary of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, one of the corporations described in and that executed the within instrument, with each of whom I am personally acquainted, and who are to me known and personally known to me to be the same identical persons whose names are affixed, signed and subscribed to said instrument and whose names are signed to the foregoing instrument as such Vice-President and Assistant Secretary, respectively, as having executed the same, and who are personally known to me to be such Vice-President and Assistant Secretary, officers of the corporation described in the within instrument having authority to execute such instrument, and who executed the same, as such Vice-President and Assistant Secretary, respectively, and they severally signed and delivered said instrument before me and in the presence of the two subscribing legal witnesses as Vice-President and Assistant Secretary, respectively, of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation party thereunto, to be the act and deed of said corporation by them as Vice-President and Assistant Secretary, respectively, and the said H. E. Righter, as Assistant Secretary of said corporation, attested and proved before me, the seal of said corporation as affixed to said instrument; and furthermore, they severally upon oath acknowledged themselves before me and in the presence of said witnesses to be the Vice-President and Assistant Secretary, respectively, of said corporation, the within named party of the first part, and further severally acknowledged to me the execution of the said foregoing instrument on behalf of said corporation and they severally acknowledged the execution of the same to be the act and deed of said corporation, that such corporation executed the same and that being informed of the contents of the instrument they, as such Vice-President and Assistant Secretary, respectively, with full authority as such officers and being authorized so to do, executed, signed, sealed and delivered the same with full authority on the day mentioned on behalf of and for and as the act of said corporation by signing the name of the corporation by themselves as such officers, respectively, as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts and deeds as such Vice-President and Assistant Secretary, respectively, for the consideration, uses and purposes therein set forth.

And at the same time time the said L. J. Clark, being by me duly sworn, did depose and say that he resides in Philadelphia in the County of Philadelphia,

Commonwealth of Pennsylvania; that he is a Vice-President of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the said seal affixed to said instrument is such corporate seal of said corporation; that it was so affixed and said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that he signed his name thereto by like order and he acknowledged said instrument to be the voluntary act and deed of said corporation.

And at the same time before me, the subscriber, personally appeared L. J. Clark, one of the attorneys named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES.

And I do hereby further certify that the foregoing instrument was executed according to and in conformity with the laws of the Commonwealth of Pennsylvania.

Given under, and in witness and faith whereof I have hereunto set my hand and official seal the day and year first above written, and have caused said appearers and witnesses to sign this acknowledgment.

J. WALLACE HENSLER
Notary Public,
My Commission expires March 6, 1939.
I am not a Stockholder, Director or
Officer of the within mentioned
Corporation.

Appearers:
L. J. Clark
H. E. Righter

(Notarial)
(Seal)

Witnesses:
C. Fox
F. H. Hepperlen

UNITED STATES OF AMERICA,)
COMMONWEALTH OF PENNSYLVANIA, (ss:
CITY AND COUNTY OF PHILADELPHIA,)

I, J. WALLACE HENSLER, a notary public in and for the City and County of Philadelphia, Commonwealth of Pennsylvania, do hereby certify and be it remembered that the above annexed and foregoing instrument of writing was produced to me in my county by the parties thereunto on this 12th day of May, 1937, and that this day at the same time before me, the undersigned, a notary public duly commissioned and qualified within and for the county aforesaid, personally and in person came and appeared the above and within named R. E. Connolly, Vice-President of the above named ILLINOIS CENTRAL RAILROAD COMPANY, a corporation duly

organized, incorporated and existing under and by the laws of the State of Illinois, and C. E. Kuck, Assistant Secretary of said ILLINOIS CENTRAL RAILROAD COMPANY, one of the corporations described in and that executed the within instrument, with each of whom I am personally acquainted, and who are to me known and personally known to me to be the same identical persons whose names are affixed, signed and subscribed to said instrument and whose names are signed to the foregoing instrument as such Vice-President and Assistant Secretary, respectively, as having executed the same, and who are personally known to me to be such Vice-President and Assistant Secretary, officers of the corporation described in the within instrument, having authority to execute such instrument, and who executed the same, as such Vice-President and Assistant Secretary, respectively, and they severally signed and delivered said instrument before me and in the presence of the two subscribing legal witnesses as Vice-President and Assistant Secretary, respectively, of said ILLINOIS CENTRAL RAILROAD COMPANY, a corporation party thereunto, to be the act and deed of said corporation by them as Vice-President and Assistant Secretary, respectively, and the said C. E. Kuck, as Assistant Secretary of said corporation, attested and proved before me the seal of said corporation as affixed to said instrument; and furthermore they severally upon oath acknowledged themselves before me and in the presence of said witnesses to be the Vice-President and Assistant Secretary, respectively, of said corporation, the within named party of the second part, and further severally acknowledged to me the execution of the said foregoing instrument on behalf of said corporation and they severally acknowledged the execution of the same to be the act and deed of said corporation, that such corporation executed the same and that being informed of the contents of the instrument they, as such Vice-President and Assistant Secretary, respectively, with full authority as such officers and being authorized so to do, executed, signed, sealed and delivered the same sith full authority on the day mentioned on behalf of and for and as the act of said corporation by signing the name of the corporation by themselves as such officers respectively, as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts and deeds as such Vice-President and Assistant Secretary, respectively, for the consideration, uses and purposes therein set forth.

And at the same time the said R. E. Connolly, being by me duly sworn, did depose and say that he resides in Mount Vernon, in the County of Westchester, State of New York; that he is a Vice-President of said ILLINOIS CENTRAL RAILROAD COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal of said corporation; that it was so affixed and said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said Corporation, and that he signed his name thereto by like order and he acknowledged said instrument to be the voluntary act and deed of said corporation.

At the same time before me, the subscriber, personally appeared R. E. Connolly, one of the attorneys named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said ILLINOIS CENTRAL RAILROAD COMPANY.

And I do hereby further acknowledge that the foregoing instrument was executed and acknowledged according to and in conformity with the laws of the Commonwealth of Pennsylvania.

Given under, and in witness and faith whereof I have hereunto set my hand and official seal the day and year first above written, and have caused said appearers and witnesses to sign this acknowledgment.

J. Wallace Hensler

Notary Public,
My Commission expires March 6, 1939.

(Notarial Seal)

I am not a Stockholder, Director or Officer of the within mentioned Corporation.

Appearers:

R. E. Connolly
C. E. Kuck

Attesting Witnesses:

C. Fox
F. H. Hepperlen

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA)
)
County of Philadelphia, ss)

I, John M. Scott, Prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following Certificate, acting by my Principal Deputy, Meredith Hanna, or my Second Deputy, John J. Hoerr, do CERTIFY, That J. Wallace Hensler, Esquire, whose name is subscribed to the certificate of the acknowledgment of the annexed instrument and thereon written, was at the time of such acknowledgment a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County aforesaid, duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe the signature thereto is genuine, and I further certify that the said Instrument is executed and acknowledged in conformity with the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, this 13th day of May in the year of our Lord one thousand nine hundred thirty-seven (1937).

John M. Scott, Prothonotary.

(Court of Common Pleas Seal)

By.....John J. Hoerr, Second Deputy Prothonotary.
Durante Absentia, Secundum Legem.

THIS AGREEMENT, dated the first day of March, 1937, by and between GEORGE SMITH and H. J. WYLIE (hereinafter called the Vendors), of the first part, THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES (hereinafter called the Trustee), of the second part, and ILLINOIS CENTRAL RAILROAD COMPANY (hereinafter called the Company), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted or will contract to acquire the railroad equipment specifically described in the form of Lease from the Trustee to the Company prefixed to this Agreement, to which form reference is hereby made; and

WHEREAS, subscriptions have been or are being secured to the amount of seven million fifty thousand dollars ($7,050,000) to a fund to be known as the Illinois Central Equipment Trust, Series R, which said fund is to be furnished to the Vendors to be applied by them in part payment of the purchase price of said railroad equipment to be acquired by them; and in case said railroad equipment shall not cost at least $9,410,487, of other railroad equipment of such cost that the aggregate cost of all railroad equipment acquired for said trust (in said Lease and hereinafter called the Trust Equipment) shall be at least $9,410,487; and

WHEREAS, said Vendors desire to secure to the parties subscribing to said fund, or their assigns, the payment of the amount thereof in thirty semi-annual installments, payable respectively on September 1 and March 1 in each year, from September 1, 1937 to March 1, 1952, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively at the rate of three per cent. (3%) per annum from March 1, 1937, payable semi-annually on September 1 and March 1, in each year; and to evidence the rights of the subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION1. The Vendors hereby agree to acquire and cause to be sold, assigned, transferred and set over, and do hereby sell, assign, transfer and set over unto the Trustee, as Trustee for the owners of the Trust Certificates hereinafter described, the Trust Equipment, and also all claims, demands and remedies of said Vendors accruing or to ~~a~~accrue under their contract or contracts for the construction and delivery of the Trust Equipment. The Vendors will deliver, or cause to be delivered, the Trust Equipment to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company shall simultaneously with the execution of this Agreement execute and deliver the Lease of all the Trust Equipment prefixed hereto.

SECTION 2. Upon the transfer and delivery to the Trustee of any of the Trust Equipment it shall, subject to the provisions of Section 5 of this Article I, issue to the Vendors, or upon their order, for distribution to the several subscribers to said Illinois Central Equipment Trust, Series R, certificates to

be known as Illinois Central Equipment Trust Certificates, Series R, herein called the Trust Certificates, of such maturity or maturities as shall be designated in such order, to a principal amount equal to 75 per cent. of the cost of the Trust Equipment so transferred and delivered to it, or to the greatest multiple of $1,000 contained therein, and make payment to the Vendors, or upon their order, in cash, of the remainder of said cost, out of the installment of rental payable upon such delivery pursuant to subdivision (a) of Article First of said Lease. Any amount by which 75 per cent. of the cost of such Trust Equipment shall exceed the greatest multiple of $1,000 contained therein shall be adjusted upon the delivery of the next lot of Trust Equipment hereunder.

SECTION 3. In lieu of executing and delivering Trust Certificates against the delivery of Trust Equipment, as in Section 2 of this Article I provided, the Trustee shall at any time, or from time to time, upon request of the Vendors, execute and deliver to the Vendors, or upon their order, for distribution to said several subscribers, Trust Certificates of such maturity or maturities as shall be designated in such request, upon the deposit in cash with the Trustee, or to its credit with such banks or bankers in the City of New York as may be designated by the Vendors and approved by the President or a Vice-President of the Company, and also approved by a Vice-President or the Secretary of the Trustee, of said fund, or a part thereof equal to the principal amount of the Trust Certificates the execution and delivery of which shall be so requested. The Trustee may likewise cause to be deposited with such banks or bankers the instalments of rental payable to it on each delivery of Trust Equipment pursuant to subdivision (a) of Article First of said Lease and any sums received by it pursuant to Article Third of said Lease.

Any interest allowed by the Trustee or said banks or bankers upon any moneys so deposited shall belong to the Company, and be paid to it by or upon the order of the Trustee, so long as it shall not be in default hereunder or under said Lease, in lieu of the use of the Trust Equipment for the period before the delivery thereof. The Certificates of the banks or bankers so designated, stating that they hold a stated amount subject to the order of the Trustee, shall be full protection to the Trustee for its action on the faith thereof. Said banks or bankers shall be fully protected in paying said moneys so deposited with them, and any such interest, to or upon the order of the Trustee, and shall be under no obligations to see to the application thereof in accordance with the provisions of this Agreement.

SECTION 4. The cash deposited with or to the credit of the Trustee, constituting said fund, or a part thereof, as in Section 3 of this Article I provided (hereinafter called the Deposited Cash), and any instalments of advance rental payable on delivery of Trust Equipment pursuant to subdivision (a) of Article First of said Lease, shall, until paid out by the Trustee as herein provided, be held for the benefit of the holders of the Trust Certificates. Whenever from time to time any of the Trust Equipment shall thereafter be transferred and delivered to the Trustee, the Trustee shall, if requested so to do, subject to the provisions of Section 5 of this Article I, pay to the Vendors, or upon their order, out of the Deposited Cash, an amount equal to 75 per cent. of the cost of the Trust Equipment so transferred and delivered to it, and shall make payment

of the remainder thereof out of the installment of rental payable on such delivery pursuant to subdivision (a) of Article First of said Lease.

Section 5. The Trustee shall not issue any Trust Certificates or pay out any Deposited Cash against the delivery of any of the Trust Equipment unless and until it shall have received

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment stating that Trust Equipment specified by number in such certificate has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a bill or bills of sale of such Trust Equipment from the manufacturers or owners to the Trustee, containing or accompanied by a warranty or guaranty of such manufacturers or owners to the Trustee that the title to the Trust equipment described therein is free from all liens and encumbrances;

(c) an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) that such bill or bills of sale are valid and effective to vest in the Trustee, free from all liens and encumbrances, the title to such Trust Equipment;

(d) in case of any of the Trust Equipment not specifically described in the Lease but acquired as hereinafter in Section 5 of Article III provided, an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) that a proper supplemental lease of said equipment from the Trustee to the Company has been duly executed by the Trustee and the Company and is sufficient in form to permit it to be duly filed or recorded in all states wherein this Agreement and said Lease are required to be filed or recorded; and

(e) a certificate as to the cost of such Trust Equipment signed by the President, a Vice-President or the Comptroller of the Company, which certificate may state either that the cost of such Trust Equipment is an amount therein specified or that the cost of such Trust Equipment is not less than an amount therein specified, and shall be conclusive evidence of such cost.

SECTION 6. The provisions of the preceding sections of this Article I are intended to permit (upon compliance with the conditions and requirements thereof) deliveries from time to time of portions of the Trust Equipment listed in any one item of the description thereof contained in the aforesaid Lease, and the issuance of Trust Certificates or payment out of the Deposited Cash or out of the installment of rental payable on such delivery pursuant to the subdivision (a) of Article First of said Lease, as against such deliveries; and shall not be construed as requiring deliveries of all of the equipment listed in any one item of such description as a condition to such issuance or payment.

SECTION 7. Anything in this agreement contained to the contrary notwithstanding, the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the sum of seven million fifty thousand dollars ($7,050,000) at any one time outstanding, subject, however, to the provisions of Section 6 of Article II hereof.

ARTICLE II.

SECTION 1. Each of the Trust Certificates shall represent an interest to the amount of one thousand dollars ($1,000) in the trust of the Trust Equipment hereby created, and the holder or registered owner thereof shall be entitled to receive dividends on said amount at the rate of three per cent (3%) per annum from March 1, 1937, payable semi-annually on the first day of September and of March in each year. The Trust Certificates shall become due and payable as follows:

September 1, 1937	$235,000
March 1,1938	235,000
September 1, 1938	235,000
March 1, 1939	235,000
September 1,1939	235,000
March 1, 1940	235,000

to fill such vacancy. Every such successor trustee, whether appointed by the Certificate holders or by the Company, shall always be a trust company or bank having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York and having an office either in the City of Philadelphia or in the Borough of Manhattan, City of New York, and having a capital and surplus aggregating at least two million dollars. After any such appointment by the Company, it shall cause notice of such appointment to be published once a week in each of four successive weeks in a daily newspaper published in the Borough of Manhattan in the City of New York, and in a daily newspaper published in the City of Philadelphia, Pennsylvania; but any new trustee so appointed by the Company shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the holders of a majority in principal amount of the Trust Certificates at the time outstanding.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act shall, on the written request of such successor trustee, assign and transfer the trust estate or cause the trust estate to be assigned and transferred to the successor trustee, and shall be entitled to the payment of its charges and expenses theretofor incurred. Upon request of such successor trustee, the Company shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all the right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Company.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, provided such corporation shall be a corporation organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York and shall do business in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan in the City of New York, and have a capital and surplus aggregating at least two million dollars, shall be the successor trustee under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VI.

No recourse under any obligation, covenant or agreement of this Agreement, or of the guaranty of the Company respecting any Trust Certificate or dividend warrant issued hereunder, shall be had against any stockholder, officer or director of the Company, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders,

officers or directors of the Company, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement or in the guaranty of the Company respecting any of the Trust Certificates or dividend warrants issued hereunder, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement and the issue of such Trust Certificates and dividend warrants.

ARTICLE VII.

Any request or other instrument required by this Agreement to be signed or executed by holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such Certificate holders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz:

(a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or of any other officer authorized to take, either within or without the Commonwealth of Pennsylvania or the State of New York, acknowledgments of deeds to be recorded in either of said States, or in the State where the acknowledgment may be taken, certifying that the persons signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution;

(b) the amount of Trust Certificates held by any person executing any such request or other instrument as a Certificate holder, and the serial numbers of the Trust Certificates held by such person and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary wheresoever situated whose certificate shall be deemed by the Trustee to be satisfactory, showing that, at the date therein mentioned, such person had on deposit with such depositary, or exhibited to such depositary, the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such deposit unless and until it receives proof satisfactory to it to the contrary.

ARTICLE VIII.

At the termination of said Lease to the Company, any moneys remaining in the hands of the Trustee, after paying the principal of and dividends upon the Trust Certificates, and the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company.

ARTICLE IX.

Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, firm or corporation other than the parties hereto and the holders of the Trust Certificates and appurtenant dividend warrants, any right, remedy or claim, under or by reason of this Agreement, or of any term, covenant or condition thereof, and all of the terms, covenants, conditions, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates and dividend warrants.

ARTICLE X.

The term "Trustee" as used herein and in said Lease shall be held and construed to mean the Pennsylvania Company for Insurances on Lives and Granting Annuities, its successors and assigns; the word "Company" herein, to mean and include the party of the third part, its successors and assigns; and the words "Certificate holder" and "holder" shall include the plural as well as the singular number. The term "Trust Equipment" wherever used herein or in said Lease, unless otherwise indicated by the context, is intended to include all railroad equipment at any time covered by said Lease or any supplemental lease or this Agreement or required or intended so to be.

In case of the death of either of the Vendors the other Vendor shall have and discharge all the powers of the Vendors. In case of the death or inability to act of both of the Vendors, the Trustee shall receive and distribute or pay for the account of the original Vendors, to the parties entitled to receive the same from the original Vendors, all Trust Certificates issuable or Deposited Cash or other moneys payable to the original Vendors by the Trustee hereunder. Any action taken by either of the Vendors shall have the same force and effect as if taken by both of them.

Whenever, under the provisions hereof, it is necessary or proper for any notice or demand to be made to or upon the Company, or if at any time it is desired to give any such notice or make any such demand, such notice or demand may be given or made to the Company by depositing a written statement thereof, securely enclosed in a postpaid wrapper, in the United States mail, directed to the Company at New York City, New York, and an affidavit by any person representing or acting on behalf of the Trustee as to such mailing shall be conclusive evidence of the giving of such notice and the making of such demand.

This Agreement shall be simultaneously executed in twenty-five counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

The Pennsylvania Company for Insurances on Lives and Granting Annuities doth hereby constitute and appoint L. J. Clark to be its attorney for it, and in its name and as and for its corporate act and deed to acknowledge this Agreement, before any person having authority by the laws of the Commonwealth of Pennsylvania or elsewhere to take such acknowledgment, to the intent that the same may be duly recorded.

Illinois Central Railroad Company doth hereby constitute and appoint

R. E. Connolly to be its attorney for it, and in its name and as and for its corporate act and deed to acknowledge this Agreement, before any person having authority by the laws of the Commonwealth of Pennsylvania or elsewhere to take such acknowledgment, to the intent that the same may be duly recorded.

IN WITNESS WHEREOF the parties of the first part have hereunto set their hands and seals, and the parties of the second and third parts have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals to be hereto affixed, duly attested, as of the day and year first above written.

GEORGE SMITH (L.S.)

H. J. WYLIE (L.S.)

Witnesses:

C. FOX

F. H. HEPPERLEN

THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES,

by L. J. CLARK

Vice-President.

Attest:

H. E. RICHTER

Assistant Secretary (SEAL)

Signed, sealed and delivered by the Pennsylvania Company for Insurances on Lives and Granting Annuities in the presence of:

C. FOX

F. H. HEPPERLEN

ILLINOIS CENTRAL RAILROAD COMPANY,

by R. E. CONNOLLY

Vice-President.

Attest:

C. E. KUCK

Assistant Secretary (SEAL)

Signed, sealed and delivered by Illinois Central Railroad Company in the presence of:

C. FOX

F. H. HEPPERLEN

UNITED STATES OF AMERICA,)
COMMONWEALTH OF PENNSYLVANIA,) S.S.
CITY AND COUNTY OF PHILADELPHIA,)

I, J. WALLACE HENSLER, a notary public in and for the City and County of Philadelphia, Commonwealth of Pennsylvania, do hereby certify and be it remembered that the above annexed and foregoing instrument of writing between George Smith and H. J. Wylie, THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, and ILLINOIS CENTRAL RAILROAD COMPANY, was produced to me in my county by the parties on this 12th day of May, in the year 1937, A. D.; and

that this day at the same time before me the undersigned a notary public duly commissioned and qualified within and for the county aforesaid personally and in person came and appeared the above and within named George Smith and H. J. Wylie, the Vendors, with each of whom I am personally acquainted, and who are to me known and personally known to me to be the same identical individuals described and named in, and whose names are signed, subscribed and affixed to, and who executed the above annexed and foregoing instrument as the parties of the first part, and they severally signed said instrument before me and in the presence of the two subscribing legal witnesses, and severally acknowledged in the presence of said witnesses that, being informed of the contents of said instrument, the executed, signed, sealed and delivered said instrument, as and to be their free and voluntary acts and deeds for the uses and purposes therein contained, mentioned and set forth, and severally desired the same to be recorded as such.

And I, the said notary public in and for the City and County of Philadelphia, Commonwealth of Pennsylvania, do hereby further certify and be it remembered that this day at the same time before me, the undersigned, a notary public duly commissioned and qualified within and for the county aforesaid, personally and in person came and appeared the above and within named L. J. Clark, a Vice-President of the above named THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation duly organized, incorporated and existing under and by the laws of the Commonwealth of Pennsylvania and H. E. Righter, an Assistant Secretary of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, one of the corporations described in and that executed the within instrument, with each of whom I am personally acquainted, and who are to me known and personally known to me to be the same identical persons whose names are affixed, signed and subscribed to said instrument and whose names are signed to the foregoing instrument as such a Vice-President and an Assistant Secretary, respectively, as having executed the same, and who are personally known to me to be such a Vice-President and an Assistant Secretary, officers of the corporation described in the within instrument, having authority to execute such instrument, and who executed the same as such Vice-President and Assistant Secretary, respectively, and they severally signed and delivered said instrument before me and in the presence of the two subscribing legal witnesses as Vice-President and Assistant Secretary, respectively, of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, a corporation party thereunto, to be the act and deed of said corporation by them as a Vice-President and an Assistant Secretary, respectively, and the said H. E. Righter, as an Assistant Secretary of said corporation attested and proved before me the seal of said corporation as affixed to said instrument; and furthermore, they severally upon oath acknowledged themselves before me and in the presence of said witnesses to be a Vice-President and an Assistant Secretary, respectively, of said corporation, the within named party of the second part, and further severally acknowledged to me the execution of the said foregoing instrument on behalf of said corporation, and they severally acknowledged the execution of the same to be the act and deed of said corporation, that such corporation executed the same and that being informed of the contents of the instrument they as such a Vice-President and an Assistant Secretary, respectively, with full authority as such officers and being authorized so to do,

executed, signed, sealed and delivered the same with full authority on the day mentioned and on behalf of and for and as the act of said corporation by signing the name of the corporation by themselves as such officers, respectively, as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts and deeds as such a Vice-President and an Assistant Secretary, respectively, for the consideration, uses and purposes therein set forth.

And at the same time the said L. J. Clark, being by me duly sworn, did depose and say that he resides in Philadelphia, in the County of Philadelphia, Commonwealth of Pennsylvania; that he is a Vice-President of said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal of said corporation; that it was so affixed and said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that he signed his name thereto by like order and he acknowledged said instrument to be the voluntary act and deed of said corporation.

And at the same time before me, the subscriber, personally appeared L. J. Clark, one of the attorneys named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES.

And I do hereby further certify that the foregoing instrument was executed and acknowledged according to and in conformity with the laws of the Commonwealth of Pennsylvania.

Given under, and in witness and faith whereof I have hereunto set my hand and official seal the day and year first above written, and have caused said appearers and witnesses to sign this acknowledgment.

J. WALLACE HENSLER

Notary Public,

(SEAL)

My Commission expires March 6, 1939.

I am not a Stockholder, Director or Officer of the within mentioned Corporation.

Appearers:

L . J. CLARK

H. E. RIGHTER

GEORGE SMITH

H. J. WYLIE

Witnesses:

C. FOX

F. H. HEPPERLEN

UNITED STATES OF AMERICA,)
COMMONWEALTH OF PENNSYLVANIA,) SS.
CITY AND COUNTY OF PHILADELPHIA,)

I, J. Wallace Hensler, a notary public in and for the City and County of Philadelphia, Commonwealth of Pennsylvania, do hereby certify and be it remembered that the above annexed and foregoing instrument, of writing between George Smith and H. J. Wylie, THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, and ILLINOIS CENTRAL RAILROAD COMPANY, was produced to me in my county by the parties on this 12th day of May, 1937, and that this day before me, the undersigned, a notary public duly commissioned and qualified within and for the county aforesaid personally and in person came and appeared the above and within named R. E. Connolly, A Vice-President of the above named ILLINOIS CENTRAL RAILROAD COMPANY, a corporation duly organized, incorporated and existing under and by the laws of the State of Illinois and C. E. Kuck, an Assistant Secretary of said ILLINOIS CENTRAL RAILROAD COMPANY, one of the corporations described in and that executed the within instrument, with each of whom I am personally acquainted, and who are to me known and personally known to me to be the same identical persons whose names are affixed, signed and subscribed to said instrument and whose names are signed to the foregoing instrument as such Vice-President and Assistant Secretary, respectively, as having executed the same, and who are personally known to me to be such Vice-President and Assistant Secretary, officers of the corporation described in the within instrument having authority to execute such instrument, and who executed the same, as such Vice-President and Assistant Secretary, respectively, and they severally signed and delivered said instrument before me and in the presence of the two subscribing legal witnesses, as a Vice-President and an Assistant Secretary, respectively, of said ILLINOIS CENTRAL RAILROAD COMPANY, a corporation party thereunto, to be the act and deed of said corporation by them as a Vice-President and an Assistant Secretary, respectively, and the said C. E. Kuck, as an Assistant Secretary of said corporation, attested and proved before me the seal of said corporation as affixed to said instrument; and furthermore they severally upon oath acknowledged themselves before me and in the presence of said witnesses to be a Vice-President and an Assistant Secretary, respectively, of said corporation, the within named party of the third part, and further severally acknowledged to me the execution of the said foregoing instrument on behalf of said corporation, and they severally acknowledged, the execution of the same to be the act and deed of said corporation, that such corporation executed the same and that being informed of the contents of the instrument they, as such a Vice-President and an Assistant Secretary, respectively, with full authority as such officers and being authorized so to do, executed, signed, sealed and delivered the same with full authority on the day mentioned on behalf of and for and as the act of said corporation by signing the name of the corporation by themselves as such officers, respectively, as the free and voluntary act and deed of said corporation, and as their own free and voluntary acts and deeds as such a Vice-President and an Assistant Secretary, respectively, for the consideration, uses and purposes therein set forth.

And at the same time the said R. E. Connolly, being by me duly sworn, did depose and say that he resides in Mount vernon, in the County of Westchester, State of New York; that he is a Vice-President of said ILLINOIS CENTRAL RAILROAD

COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal of said corporation; that it was so affixed and said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that he signed his name thereto by like order and he acknowledged said instrument to be the voluntary act and deed of said corporation.

At the same time before me, the subscriber, personally appeared R. E. Connolly, one of the attorneys named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said ILLINOIS CENTRAL RAILROAD COMPANY.

And I do hereby further certify that the foregoing instrument was executed and acknowledged according to and in conformity with the laws of the Commonwealth of Pennsylvania.

Given under, and in witness and faith whereof I have hereunto set my hand and official seal the day and year first above written, and have caused said appearers and witnesses to sign this acknowledgment.

J. WALLACE HENSLER

Notary Public,

(SEAL) My Commission expires March 6, 1939.

I am not a Stockholder, Director or Officer of the within mentioned corporation.

Appearers:

R. E. CONNOLLY

C. E. KUCK

Witnesses:

C. FOX

F. H. HEPPERLEN

UNITED STATES OF AMERICA,)
COMMONWEALTH OF PENNSYLVANIA,) SS.
CITY AND COUNTY OF PHILADELPHIA,)

I DO HEREBY CERTIFY that the United States Internal Revenue Stamps required by law have been affixed to one of the counterparts of the within Agreement and cancelled.

J. WALLACE HENSLER

Notary Public,

(SEAL) My Commission expires March 6, 1939

I am not a Stockholder, Director or Officer of ~~the~~ within mentioned Corporation

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA)
County of Philadelphia, ss.)

COURT OF COMMON PLEAS
PHILADELPHIA
PENNSYLVANIA

I, John M. Scott, prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following Certificate, acting by my Principal Deputy, Meredith Hanna, or my Second Deputy, John J. Hoerr,

do Certify, That J. Wallace Hensler .....Esquire, whose name is subscribed to the certificate of the acknowledgment of the annexed instrument and thereon written, was at the time of such acknowledgment a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County aforesaid, duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe the signature thereto is genuine, and I further certify that the said Instrument is executed and acknowledged in conformity with the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court, this 13th day of May in the year of our Lord one thousand nine hundred thirty-seven (1937)

JOHN M. SCOTT, Prothonotary.

by John J Hoerr ..... Second Deputy Prothonotary.

Durante Absentia, Secundum Legem.

(COURT OF COMMON)
(PLEAS SEAL)

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 24th day of
May A. D. 1937 at 9
o'clock A. M. and recorded in Vol.
33 of R.R. Mtgs. Etc.
on page 55-90 Inclusive
Robert L. Siebecker
Assistant Secretary of State

SUPPLEMENTAL LEASE OF RAILROAD EQUIPMENT.

Dated April 15, 1937

Between

FIDELITY-PHILADELPHIA TRUST COMPANY, of PHILADELPHIA PENNSYLVANIA
And
THE PENNSYLVANIA RAILROAD COMPANY.

SUPPLEMENTAL LEASE OF RAILROAD EQUIPMENT, dated the fifteenth day of April, 1937, between FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee (hereinafter called the "Trustee"), party of the first part and THE PENNSYLVANIA RAILROAD COMPANY, a corporation organized and existing under the laws of the said Commonwealth (hereinafter called the "Company"), party of the second part:

WHEREAS, by a certain Agreement, bearing date the 1st day of December, 1935, between Edwin W. Bainbridge and Charles McCall, Vendors, Fidelity-Philadelphia Trust Company, as Trustee, and the Pennsylvania Railroad Company, a counterpart original whereof was annexed to and made a part of a Lease of Railroad Equipment between the Fidelity-Philadelphia Trust Company, Trustee, and the Pennsylvania Railroad Company, dated the 1st day of December, 1935, there was constituted the "Pennsylvania Railroad Equipment Trust, Series G," and it was agreed that the railroad equipment which the said Vendors transferred or caused to be transferred to the Trustee under the said Agreement bearing date the 1st day of December, 1935, was to be leased to the Company under the said Lease;

WHEREAS, it is recited in the said Lease of Railroad Equipment, dated the 1st day of December, 1935, that pursuant to the provisions of the said Agreement dated the 1st day of December, 1935, the railroad equipment described in the said Lease had been or would be transferred to the Trustee under the said Agreement, and the title to the said railroad equipment vested in the Trustee;

WHEREAS, it is set forth in the said Lease of Railroad Equipment that the estimated cost of the railroad equipment described therein has been certified to the Trustee to be not less than $24,560,000 and it is provided in said Lease that in case the actual cost of said railroad equipment specifically described therein shall not amount to at least said sum, then in addition to said equipment there may be acquired by the Vendors and subjected to the said Lease (subject, however, to the provisions of Section 5 of Article I of said Agreement bearing date the 1st day of December, 1935) other new railroad equipment, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least the said sum, and that the Trustee shall execute to the Company a Supplemental Lease thereof, describing the same, upon and subject to the terms and conditions of said Lease and said Agreement, and that such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions of said Lease and of said Agreement in all respects as though it had been part of the original Trust Equipment;

WHEREAS, all the Trust Equipment specifically described in the said Lease dated the 1st day of December, 1935, has been acquired by the Vendors and sold, assigned, transferred and set over unto the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, as provided in Section 1, of Article I, of the said Agreement dated the 1st day of December, 1935, and leased by the Trustee to the Company under and by the said Lease dated the 1st day of December, 1935;

WHEREAS, the Company has paid to the Trustee, under the provisions of Subdivision (a) of Article First of the said Lease dated the 1st day of December, 1935, on the basis of the cost of Trust Equipment as tentatively determined in accordance with the provisions of Subdivision (d), Section 5, of Article I, of the said Agreement dated the 1st day of December, 1935, installments of rental which in the aggregate are equal to twenty-five per cent. (25%) of the cost of the Trust Equipment specificially described in the said Lease dated the 1st day of December, 1935, as estimated when the said Lease was executed and delivered;

WHEREAS, the aggregate final cost of the Trust Equipment, specifically described in the said Lease, as certified to the Trustee under the provisions of Section 5, Article I, of the said Agreement dated the 1st day of December, 1935, is $24,170,320.85, and in order that the aggregate cost of all the Trust Equipment to be sold, assigned, transferred and set over to the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, shall be at least the sum of $24, 560,000, the Vendors, the Trustee, and the Company have executed a Supplemental Agreement dated the 15th day of April, 1937, a counterpart original whereof is hereto annexed and made a part hereof, in which it is agreed that the Vendors will acquire or contract to acquire and transfer or cause to be transferred to the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, other new railroad equipment, to wit, 150 Class X-32-b Steel Automobile Box Cars, the estimated cost of which is not less than $399,000.

WHEREAS, it is the desire of the Company and the Trustee to subject to the said Lease dated the 1st day of December, 1935, such other new railroad equipment;

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of the said Agreement dated the 1st day of December, 1935, and of the said Supplemental Agreement dated the 15th day of April, 1937, for and in consideration as well of the sum of One Dollar to it paid by the Company at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company the following new railroad equipment of the Pennsylvania Railroad Equipment Trust, Series "G", to wit:

150 Class X-32-b Steel Automobile Box Cars;

numbered 48300 to 48449, both inclusive.

The estimated cost of the said new railroad equipment above specifically described, when completed, has been certified to the Trustee to be not less than $399,000.

And as when the said new railroad equipment shall from time to time be transferred and delivered to the Trustee, as Trustee, under the said Agreement dated the 1st day of December, 1935, and Supplemental Agreement dated the 15th day

of April, 1937, for the bearers and registered owners of the Trust Certificates, and marked in accordance with the provisions of Article Fourth of the said Lease dated the 1st day of December, 1935, the same shall be delivered to the Company, and shall upon such delivery to the Company ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of the said Lease dated the 1st day of December, 1935, and be deemed a part of the Trust Equipment leased by the Trustee to the Company thereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery of the said Lease.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

1. The Company hereby accepts (subject to the conditions mentioned in the said Agreement dated the 1st day of December, 1935), this Supplemental Lease of Railroad Equipment, and hereby covenants and agrees to accept delivery and possession hereunder, and under the said Lease dated the 1st day of December, 1935, of the new railroad equipment hereinbefore specifically described, and agrees that the said new railroad equipment shall be a part of the Trust Equipment covered by the said Lease, and subject to all the terms and provisions thereof with respect to the said Trust Equipment, in all respects and to the same extent as if the said new railroad equipment had been specifically described in the said Lease as a part of the original Trust Equipment.

2. The Company agrees that, in lieu of payments of rental under subdivision (a) of Article First of the said Lease dated the 1st day of December, 1935, from time to time as and when any of the new railroad equipment described herein shall be delivered to it hereunder, all installments of rent paid by it under the provisions of the said Subdivision (a) in excess of twenty-five per cent. (25%) of the aggregate final cost of the Trust Equipment specifically described in the said Lease as certified to the Trustee pursuant to the provisions of Subdivision (d), of Section 5, of the said Agreement dated the 1st day of December, 1935, shall be held and applied by the Trustee as provided in Section 3 of the Supplemental Agreement dated the 15th day of April, 1937.

3. The Company covenants and agrees that if, whenever any of the new railroad equipment herein described shall be delivered to the Company hereunder, the aggregate cost of all the Trust Equipment, including the new railroad equipment herein described and the trust equipment specifically described in the said Lease dated the 1st day of December, 1935, which shall then and theretofore have been delivered to the Company, shall exceed $24,560,000, the Company upon such delivery will pay to the Trustee or its assigns, as additional rental, an amount which, with all other payments previously made, shall equal such excess.

4. The Company agrees, in respect of the new railroad equipment described herein, faithfully to keep, observe and carry out all the covenants and agreements and to do all the acts and things which by the terms of the said Lease dated the 1st day of December, 1935, subject to this Supplemental Lease, are by it to be kept, done and performed.

5. Subject to this Supplemental Lease, all the covenants, agreements, terms and stipulations contained in the said Lease dated the 1st day of December, 1935 shall remain in full force and effect, and binding upon the Company

6. This Supplemental Lease shall be simultaneously executed in the same number of counterparts as the original Lease dated the 1st day of December, 1935, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their names by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

FIDELITY-PHILADELPHIA TRUST COMPANY,
by
D. S. MATHERS
Vice-President.

(Corporate Seal) Attest:
M. S. ALTEMOSE
Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,
by
A. J. County
Vice-President.

(Corporate Seal) Attest:
J. Taney Willcox
Secretary.

Signed, sealed, acknowledged
and delivered by both parties
in the presence of:
F. E. GODFREY
F. B. PRIESTLEY

COMMONWEALTH OF PENNSYLVANIA)
) SS:
CITY AND COUNTY OF PHILADELPHIA)

I, F. B. Priestley, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on April 15, 1937 before me the subscriber, a Notary Public as aforesaid, personally appeared D. S. Mathers, Vice-President of Fidelity-Philadelphia Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 15, 1937, whose name is signed thereto, and the said D. S. Mathers, to me personally known, being by me duly sworn, did depose and say that he resides in Philadelphia, in the County of Philadelphia, in the State of Pennsylvania; that he is the Vice-President of the said Fidelity-Philadelphia Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary

act and deed of the said Fidelity- Philadelphia Trust Company;and that he desired the same to be recorded as such.

D. S. MATHERS

Subscrived and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

F. B. PRIESTLEY
Notary Public.

(Notarial) (Seal) My Commission Expires Dec. 2, 1940.

COMMONWEALTH OF PENNSYLVANIA)
) SS:
CITY AND COUNTY OF PHILADELPHIA)

I, J. E. WILLIAMS, a Notary Public duly commission, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on April 15, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared A. J. County, Vice-President of the Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of 15th April, 1937, whose name is signed thereto, and the said A. J. County, to me personally known, being by me duly sworn, did depose and say that he resides in St. Davids, in the County of Delaware, in the State of Pennsylvania; that he is the Vice-President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said The Pennsylvania Railroad Company; and that he desired the same to be recorded as such.

A. J. COUNTY

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

J. E. WILLIAMS
Notary Public.

(Notarial) (Seal) My Commission expires March 9, 1939

This SUPPLEMENTAL AGREEMENT, dated the 15th day of April, 1937, by and between EDWIN W. BAINBRIDGE and CHARLES McCALL (hereinafter called the "Vendors"), of the first part, FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania (hereinafter called the "Trustee"), as Trustee, of the second part, and THE PENNSYLVANIA RAILROAD COMPANY (hereinafter called the "Company"), of the third part, WITNESSETH AS FOLLOWS:

WHEREAS, in an Agreement dated the 1st day of December, 1935, by and between the Vendors, the Trustee, and the Company, it was recited that the Vendors had contracted or would contract to acquire the railroad equipment (therein called the "Trust Equipment") specifically described in the Lease of Railroad

Equipment from the Trustee to the Company, dated the 1st day of December, 1935, prefixed to the said Agreement; that subscription had been or were being secured in an amount not exceeding Eighteen Million Four Hundred Twenty Thousand Dollars ($18,420,000) to a fund to be known as Pennsylvania Railroad Equipment Trust, Series "G", which said fund would be furnished to the Vendors to be applied by them in part payment of the purchase price of the Trust Equipment to be acquired by them; and that the Vendors desired to secure to the parties subscribing to the said fund, or their assigns, the payment of the amount thereof in installments with dividends to the dates of maturity, all as specifically provided in the said Agreement, and to evidence the rights of the subscriber or subscribers to said fund by Trust Certificates;

WHEREAS, by the said Agreement dated the 1st day of December, 1935, the Vendors agreed to sell, assign, transfer and set over unto the Trustee, as Trustee for the bearers and registered holders of Trust Certificates, the Trust Equipment described in the said Lease from the Trustee to the Company when and as the Trust Equipment or any part thereof was constructed or completed, and the Trustee agreed, upon the request of the Vendors, to execute and deliver to the Vendors, or upon their order, for distribution to the several subscribers to the said fund certificates to be known as Pennsylvania Railroad Equipment Trust Certificates, Series "G", the said certificates to be called Trust Certificates, all as specifically provided and set forth in the said Agreement;

WHEREAS, the Vendors have acquired and sold, assigned, transferred and set over unto the Trustee, as Trustee for the bearers and registered holders of Trust Certificates, the Trust Equipment specifically described in the said Lease dated the 1st day of December, 1935; and the Trustee, at the request of the Vendors, and upon the deposit of cash as required by Section 3, of Article I, of the said Agreement dated the 1st day of December, 1935, has executed and delivered to the subscribers to the said fund known as Pennsylvania Railroad Equipment Trust, Series "G", Trust Certificates of the aggregate principal amount of $18,420,000;

WHEREAS, the estimated cost of the railroad equipment specifically described in the said Lease was certified to the Trustee to be not less than $24,560,000, and the aggregate final cost of the said railroad equipment as certified to the Trustee under the provisions of Subdivision (d), Section 5, Article I, of the said Agreement dated the 1st day of December, 1935, is $24,170,320.85.

WHEREAS, the Company has paid to the Trustee, under Subdivision (a) of Article First of the said Lease dated the 1st day of December, 1935, based on the cost of Trust Equipment as tentatively determined under the provisions of Subdivision (d), Section 5, of Article I, of the said Agreement dated the 1st day of December, 1935, installments of rent which in the aggregate are equal to twenty-five per cent. (25%) of the estimated cost of the Trust Equipment specifically described in the said Lease, and the Trustee is holding an unexpended balance of such rental and an unexpended balance of Deposited Cash remaining from the proceeds of the Trust Certificates, the aggregate of the unexpended sums so held by the Trustee, less a credit to the Company on account of premium received by the Trustee over and above the face amount of the Trust Certificates, being $389,679.15;

WHEREAS, the Vendors have contracted to acquire, or will contract to acquire, other new railroad equipment, to wit, 150 Class X-32-b Steel Automobile Box Cars, the estimated cost of which is not less than $399,000, and it is desired that the Vendors shall sell, assign, transfer and set over unto the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, as provided in the said Agreement dated the 1st day of December, 1935, such other new railroad equipment, so that the aggregate cost of all the Trust Equipment under the said Agreement dated the 1st day of December, 1935, shall be at least the said sum of $24,560,000;

WHEREAS, by a Supplemental Lease of Railroad Equipment dated the 15th day of April, 1937, prefixed hereto, the Trustee has leased to the Company, subject to the terms and conditions of the Lease of Railroad Equipment dated the 1st day of December, 1935, the said new railroad equipment, to wit, 150 Class X-32-b Steel Automobile Box Cars;

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

1. The Vendors hereby agree to sell, assign, transfer and set over unto the Trustee as Trustee for the bearers and registered holders of the Trust Certificates described in the said Agreement dated the 1st day of December, 1935, to which this Agreement is a supplement, the railroad equipment described in and leased to the Company by the said Supplemental Lease prefixed hereto, when and as the said railroad equipment, or any part thereof, is constructed or completed. The Vendors will deliver,or cause to be delivered, the said railroad equipment, or any part thereof,when and as constructed or completed, to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company, simultaneously with the execution of this Supplemental Agreement, have executed and delivered the said Supplemental Lease of the said railroad equipment.

2. The said new railroad equipment shall be a part of the Trust Equipment covered by the said Agreement dated the 1st day of December, 1935, and the sale, assignment, transfer and delivery thereof by the Vendors to the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, shall be subject to all the terms, provisions and requirements of the said Agreement, as supplemented by this Supplemental Agreement, to the same extent as if the said new railroad equipment had been specifically included therein, and specifically described in the said Lease dated the 1st day of December, 1935, when the said Agreement and Lease were executed.

3. The Unexpended amount of $389,675.15 shall, until paid out by the Trustee as herein provided, be held by the Trustee for the benefit of the holders and registered owners of the Trust Certificates. Whenever from time to time any of the new railroad equipment shall be transferred and delivered to the Trustee, the Trustee shall, if requested so to do, subject to the provisions of Section 5 of Article I of the said Agreement dated the 1st day of December, 1935, pay to the Vendors, or upon their order, out of the said unexpended amount of $389,675.15, the cost of the new railroad equipment so transferred and delivered to it .

If, whenever any of the new railroad equipment shall be transferred and delivered to the Trustee, the aggregate cost of all the Trust Equipment, including the said new railroad equipment and the Trust Equipment specifically described in the said Lease dated the 1st day of December, 1935, which shall then and theretofore have been delivered shall exceed $24,560,000, the Trustee shall, if requested to do so, subject to the provisions of Section 5 of Article I of the said Agreement dated the 1st day of December, 1935, make payment to the Vendors, or upon their order, to the extent of such excess out of the installment of rental payable on such delivery pursuant to Section 3 of the said Supplemental Lease dated the 15th day of April, 1937.

4. The Vendors, the Trustee and the Company covenant and agree faithfully to keep, observe and carry out, in respect of the new railroad equipment which the Vendors have herein agreed to sell, assign, transfer and set over unto the Trustee, as Trustee for the bearers and registered owners of the Trust Certificates, all the agreements and obligations and to do all the things which by the terms of the said Agreement dated the 1st day of December, 1935, subject to this Supplemental Agreement, are by the Vendors, The Trustee and the Company, respectively, to be kept, observed, and performed, in all respects as though the said new railroad equipment had been specifically included therein, and specifically described in the said Lease dated the 1st day of December, 1935, when the said Agreement and Lease were executed.

5. Subject to this Supplemental Agreement, all the covenants, agreements, terms and stipulations contained in the said Agreement dated the 1st day of December, 1935, shall remain in full force and effect, and binding upon the respective parties.

6. The Company, with all convenient speed, will cause this Supplemental Agreement and the said Supplemental Lease dated the 15th day of April, 1937, to be duly filed, refiled, recorded and re-recorded in all States wherein any of the Trust Equipment may be used, and in all States wherein any of the Trust Equipment shall be delivered, and otherwise as may be required by law, so that this Supplemental Agreement and the said Supplemental Lease may at all times be duly filed and recorded.

7. This Supplemental Agreement shall be simultaneously executed in the same number of counterparts as the original Agreement dated the 1st day of December, 1935, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF the parties of the first part have hereunto set their hands and seals, and the parties of the second and third parts have caused their names to be signed hereto by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

EDWIN W. BAINBRIDGE
CHARLES McCALL

Corporate Seal

FIDELITY-PHILADELPHIA TRUST COMPANY,
by
D. S. MATHERS
Vice-President.
Attest:
M. S. ALTEMOSE
Assistant Secretary.

Corporate Seal

THE PENNSYLVANIA RAILROAD COMPANY,
by
A. J. COUNTY
Vice-President.
Attest:
J. TANEY WILLCOX
Secretary.

Signed, sealed, acknowledged, and delivered by all parties in the presence of:

F. E. GODFREY
F. B. PRIESTLEY

COMMONWEALTH OF PENNSYLVANIA)
) SS.
CITY AND COUNTY OF PHILADELPHIA)

I, F. B. Priestley, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on April 15, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared Edwin W. Bainbridge and Charles McCall, to me known as the Vendors in the foregoing instrument in writing bearing date April 15, 1937, and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth, and desired the same to be recorded as such.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal the day and year aforesaid.

F. B. PRIESTLEY
Notary Public.

Notarial Seal

My Commission Expires December 2, 1940.

COMMONWEALTH OF PENNSYLVANIA)
) SS:
CITY AND COUNTY OF PHILADELPHIA)

I, F. B. Priestley, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on April 15, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared D. S. Mathers, Vice-President of Fidelity-Philadelphia Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 15, 1937, whose name is signed thereto, and the said D. S. Mathers, to me personally known, being by me

duly sworn, did depose and say that he resides in Philadelphia, in the County of Philadelphia, in the State of Pennsylvania, that he is the Vice-President of the said Fidelity-Philadelphia Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporations to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said Fidelity-Philadelphia Trust Company; and that he desired the same to be recorded as such.

D. S. MATHERS

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

F. B. PRIESTLEY

Notarial Seal

Notary Public.

My Commission Expires December 2, 1940.

COMMONWEALTH OF PENNSYLVANIA)
) SS:
CITY AND COUNTY OF PHILADELPHIA)

I, J. E. Williams, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on 15th April, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared A. J. County, Vice-President of the Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 15, 1937, whose name is signed thereto, and the said A. J. County, to me personally known, being by me duly sworn, did depose and say that he resides in St. Davids, in the County of Delaware, in the State of Pennsylvania; that he is the Vice-President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of said The Pennsylvania Railroad Company; and that he desired the same to be recorded as such.

A. J. COUNTY

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

J. E. WILLIAMS

(Notarial)
(Seal)

Notary Public.

My Commission Expires March 9, 1939.

I hereby certify that this is a true copy of the original agreement.

J. G. NALON

Assistant Secretary,

The Pennsylvania Railroad Company.

(Corporate Seal)

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 5th day of June A. D. 1937 at 10 30 o'clock A. M. and recorded in Vol. 33 of R. R. Mtgs. Etc. on page 91 - 101 Inclusive

Robert T. Siebecker
Assistant Secretary of State

715

PENNSYLVANIA RAILROAD EQUIPMENT

TRUST, SERIES H

LEASE OF RAILROAD EQUIPMENT

DATED MAY 1, 1937

FIDELITY-PHILADELPHIA TRUST COMPANY
TO
THE PENNSYLVANIA RAILROAD COMPANY

AGREEMENT

DATED MAY 1, 1937

EDWIN W. BAINBRIDGE

AND

CHARLES McCALL, Vendors

WITH

FIDELITY-PHILADELPHIA TRUST COMPANY

AND

THE PENNSYLVANIA RAILROAD COMPANY

Lease of Railroad Equipment, dated the first day of May, 1937, between FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and THE PENNSYLVANIA RAILROAD COMPANY, a corporation duly organized and existing under the laws of the said Commonwealth (hereinafter called the Company), party of the second part:

WHEREAS, by certain Agreement, bearing date the first day of May, 1937, between Edwin W. Bainbridge and Charles McCall, Vendors, said Fidelity-Philadelphia Trust Company, as Trustee, and the Pennsylvania Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Pennsylvania Railroad Equipment Trust, Series H," and it was agreed that the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of said Agreement, for and in consideration as well of the sum of one dollar to it paid by the Company at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company all the railroad equipment of the Pennsylvania Railroad Equipment Trust, Series H (hereinafter collectively called the Trust Equipment), to wit:

850 Class X-32-b Steel Automobile Box Cars, numbered 48450 to 49299, both inclusive.

1,500 Class G-27 Steel Mill-type Gondola Cars, numbered 345500 to 346999, both inclusive.

covered
300 Class H-30 Steel Hopper Cars, numbered 254651 to 254950, both inclusive.

11 Class GG-1 Electric Passenger Locomotives for high speed service with heavy trains, operating from an overhead wire at 11,000 volts, single phase, numbered 4858 to 4868, both inclusive.

Together with such other or additional railroad equipment as shall be acquired for said trust and subjected to this Lease as hereinafter provided.

The estimated cost of the railroad equipment above specifically described, when completed, has been certified to the Trustee to be not less than $10,320,000. The cost of the Trust Equipment, whenever referred to herein or in said Agreement, shall mean the actual cost thereof, including only such items as may properly be included in such cost under the accounting rules of the Interstate Commerce Commission.

In case the actual cost of said equipment specifically described shall not amount to at least said sum, then in addition to said equipment above specifically described, there may be acquired by the Vendors and subjected to this Lease (subject, however, to the provisions of Section 5 of Article I of said Agreement) other new railroad equipment, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least said sum; and the Trustee shall execute to the Company a supplemental lease thereof, describing the same, upon and subject to the terms and conditions hereof and of said Agreement, and such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Company, and shall upon such delivery to the Company ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of this Lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

FIRST. The Company hereby accepts (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee or its assigns (or in the case of taxes to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, as and when any of the Trust Equipment shall be delivered to the Company, amounts in cash equal to the difference between the cost of the Trust Equipment so delivered, as certified to the Trustee by the President or a Vice-President, or the Treasurer or an Assistant Treasurer, of the Company and the principal amount of Trust Certificates issuable in respect thereof as provided in Section 2

of Article I of said Agreement, provided that the aggregate of all amounts so paid to the Trustee shall never be less than twenty-five per cent. (25%) of the cost of all the Trust Equipment which shall then and theretofore have been delivered hereunder.

(b) If the aggregate cost of all the Trust Equipment which shall then and theretofore have been delivered hereunder should exceed $10,320,000., an amount which, with all other payments previously made under this clause (b), shall equal such excess.

(c) The necessary and reasonable expenses of the trust, including all expenses connected with the Trust Equipment and this Lease thereof, and with the preparation, issuance and sale of the Trust Certificates.

(d) Any and all taxes, assessments and other governmental charges upon the income or property of the trust, or said Agreement evidencing the same, which the Trustee under said Agreement may be required to pay, and any and all taxes, assessments and other governmental charges (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of the Trust Certificates) which the Company or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

(e) The dividend warrants attached to the Trust Certificates when and as the same shall become payable, and, in the case of the issue of temporary Trust Certificates, the dividends payable thereon; also a sum equal to accrued dividends at the warrant rate, from the due date, upon the amount of any installments of rental payable under this paragraph (e) and the following paragraph (f) which shall not be paid when due.

(f) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof, to wit:

May 1, 1938	$516,000
May 1, 1939	516,000
May 1, 1940	516,000
May 1, 1941	516,000
May 1, 1942	516,000
May 1, 1943	516,000
May 1, 1944	516,000
May 1, 1945	516,000
May 1, 1946	516,000
May 1, 1947	516,000
May 1, 1948	516,000
May 1, 1949	516,000
May 1, 1950	516,000
May 1, 1951	516,000
May 1, 1952	516,000

The Company shall not be required, however, to pay any tax, assessment or

or other governmental charge so long as the Company shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered; provided that nothing herein shall qualify or affect the right of the Trust Certificate holders to receive full and punctual payment of both dividends and principal without deduction for such taxes, assessments or other governmental charges to the extent provided in subdivision (d) of this Article First.

All rentals payable hereunder shall be payable at the principal office of the Trustee in the City of Philadelphia, Commonwealth of Pennsylvania, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

SECOND. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet, discharge and cancel all the interests in said Pennsylvania Railroad Equipment Trust, Series H, created in respect of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of the Lease and after all such payments required hereby shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Company simultaneously with or after the execution hereof, shall at the option of the Company be assigned and transferred by the Trustee to the Company or its nominee or nominees, and shall thereupon be and become the absolute property of the Company or its nominee or nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company.

THIRD. Upon the written request of the Company, stating that the use of any of the Trust Equipment is no longer required by the Company, evidenced by a resolution of its Board of Directors, The Trustee may, while the Company is not in default hereunder, execute and deliver a bill of sale assigning and transferring to the purchaser named by the Company the absolute title to any of the Trust Equipment; provided, however, that none of the Trust Equipment shall be so assigned or transferred, unless simultaneously the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Company a sum in cash equal to the difference, if any, between said purchase price and the original cost (as previously certified pursuant to subdivision (d) of Section 5 of Article I of said Agreement) to the Vendors of the equipment so assigned and transferred, less an amount representing depreciation arising from reasonable wear and tear to be determined by the method at the time in standard railroad practice for determining such depreciation, as certified to the Trustee by the President or a Vice-President of the Company, of the equipment so assigned and transferred. The sums so paid to the Trustee shall be held by it for the equal and proportionate benefit of the bearers and registered holders of the Trust Certificates and dividend warrants, until paid out by the Trustee upon the written request of the Company for the purchase by the Trustee of new railroad rolling stock, free from liens, and upon the delivery of such new equipment to the Trustee accompanied by

a bill or bills of sale, an opinion of counsel (who may be counsel to the Company) and a certificate as to the delivery and cost in like manner as is provided in Section 5 of Article I of said Agreement. The Company will pay as rental for the Trust equipment any additional moneys necessary to be paid to the manufacturers of such new railroad rolling stock, if the cost thereof exceeds sums then in the hands of the Trustee to be applied on account thereof. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Company and the Trustee shall execute, and the Company shall file and/or record, as required by law, a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof. The term "Trust Equipment," wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

FOURTH. At or before the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case letters not less than one inch in height:

"Pennsylvania Railroad Equipment Trust, Series H, Fidelity-Philadelphia Trust Co., Trustee, Owner and Lessor."

Such plate or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of the Trust Equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored or replaced. The Company will not change, or permit to be changed, the numbers upon any of the Trust Equipment (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which previously shall have been filed with the Trustee by the Company. In any such case the new numbers shall be set forth in a Supplemental Lease or in an amendment of this Lease, which shall be recorded in the same manner as this Lease.

The Trust Equipment may be lettered "The Pennsylvania Railroad Company," "Pennsylvania," "P. R. R.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein; but the Company, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FIFTH. (a) The Company, during the continuance of this Lease, will maintain and keep all the Trust Equipment in good order and repair, at its own proper cost and charge, and will replace, at its own cost, any of the Trust Equipment that may be worn out, lost or destroyed, by new railroad rolling stock of equal value, the value of the new rolling stock to be figured at cost if that be below market

value, or at market value if that be below cost. For the purpose of this Article Fifth the value of such replaced equipment shall be taken to be the cost thereof, determined as provided in Article First hereof, less depreciation accrued thereon, determined as provided in Article Third hereof. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Company shall deliver to the Trustee a certificate of the Treasurer or an Assistant Treasurer of the Company stating the value of the Trust Equipment so worn out, lost or destroyed and the cost and the reasonable market value of the equipment with which it is replaced, together with a bill or bills of sale, an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) and a certificate as to delivery, in like manner as is provided in Section 5 of Article I of said Agreement.

Thereupon, such new equipment shall be deemed part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement, as though it had been part of the original Trust Equipment; but the Trustee and the Company shall execute a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at lease once in every year during the continuance of this Lease, an accurate statement of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost or destroyed by accident or otherwise, and the number of units of Trust Equipment repaired during the previous year, and the number of units then undergoing repairs and in the shops for repairs. Together with said statement the Company shall also furnish to the Trustee a statement signed by its Chief of Motive Power or an Assistant Chief of Motive Power, stating that in the case of all of the Trust Equipment repainted during the preceding year, the marks required by Article Fourth hereof have been preserved, or that the same when repainted has been again marked as required by said Article. The Trustee shall have the right, by its agents, to inspect the Trust Equipment once in every year during the continuance of this Lease.

(c) The Company covenants and agrees to indemnify and protect the Trustee and its assigns in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including, but without limitation, all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the

Trustee or of the holders of the Trust Certificates.

SIXTH. The Company, so long as it shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned or operated by it under lease or otherwise, or over which it has trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned by the Company, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Company, but only upon and subject to all the terms and conditions of this Lease.

The Company covenants to file or record as required by law this Lease and said Agreement and any supplemental lease or supplemental agreement as provided in Section 4 of Article III of said Agreement.

The Company will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. A transfer to a railroad company which shall acquire all or substantially all the lines of railroad of the Company, and which shall assume and agree to perform each and all of the obligations and covenants of the Company, hereunder and under said Agreement, shall not be deemed a breach of this covenant, nor shall the appointment of a temporary receiver or receivers, trustee or trustees, for the Company or its property, be deemed such a breach; but the appointment of a permanent receiver or receivers, trustee or trustees, shall be deemed a breach of this covenant. The Trustee shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of this Lease or transfer or sublease of the Trust Equipment. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SEVENTH. In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment of transfer of its rights or interest in, or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, or any thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the original cost to the Vendors of the Trust Equipment so assigned or transferred or sub-leased as certified to the Trustee pursuant to Section 5 of Article I of said Agreement (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Company of such Trust Equipment in good condition, subject to ordinaryusage), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee at its option may, and on the request of the holders of a majority in amount of the then outstanding Trust Certificates shall, by its agents, enter upon the railroads and premises of the Company and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been make on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as it may deem necessary or desirable to perform and fulfill the trusts under said Agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company; and no payments theretofore made by the Company for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Pennsylvania Railroad Equipment Trust, Series H; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sum shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b), (c), (d), (e) and (f) of Article First hereof, whether they shall have then matured or not; and, in the event that the Trustee shall have declared the principal of all the trust certificates then outstanding to be due and payable as provided in Section 2 of Article IV of said Agreement, the Trustee, at its option, may, and upon the written request of the holders of a majority in amount of the then outstanding trust certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (except rentals required for the payment of dividends accruing after the date of such declaration) payable by the Company as set forth in Article First of this Lease, and not theretofore paid; and thereupon the entire amount of said rentals as aforesaid shall become and be due and payable immediately, without further demand, together with interest thereafter at the dividend warrant rate on any portion thereof

overdue; and for the total amount so becoming forthwith payable by the Company the Trustee shall be entitled to recover judgment, with interest at the dividend warrant rate, and to collect such judgment out of any property of the Company wherever situated,

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company will, at its own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or be drawn to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad of premises of the Company until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

If the Trustee shall exercise any of the powers or remedies conferred upon it hereunder, The Company shall have the right, after all rentals and other sums due hereunder to the Trustee shall have been received by the Trustee, to require title to such of the Trust Equipment as shall not previously have been sold, assigned, transferred or otherwise disposed of by the Trustee to others to be transferred and assigned by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all sums of money received by the Trustee in the exercise of such powers or remedies there shall remain any amount due to the Trustee under the provisions of this Lease, the Company hereby agrees to pay to the Trustee the amount of such deficiency. If after applying as aforesaid all sums so received by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

EIGHTH. This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their names by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

Signed, sealed acknowledged and delivered in the presence of:
F. E. GODFREY
F. B. PRIESTLEY

FIDELITY-PHILADELPHIA TRUST COMPANY,
by
D. S. MATHERS,
Vice-President.
(SEAL)
Attest:
M. S. ALTEMOSE,
Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,
by
A. J. COUNTY,
Vice-President.
(SEAL)
Attest:
J. TANEY WILLCOX,
Secretary.

COMMONWEALTH OF PENNSYLVANIA)
) SS.
CITY AND COUNTY OF PHILADELPHIA)

I, F. B. Priestley, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 21, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared D. S. Mathers, Vice-President of Fidelity-Philadelphia Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of May 1, 1937, whose name is signed thereto, and the said D. S. Mathers, to me personally known, being by me duly sworn, did depose and say that he resides in Philadelphia, in the County of Philadelphia, in the State of Pennsylvania; that he is the Vice-President of the said Fidelity-Philadelphia Trust Company; one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instruments; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said Fidelity-Philadelphia Trust Company; and that he desired the same to be recorded as such.

D. S. MATHERS.

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

F. B. PRIESTLEY,
Notary Public

(Notarial)
(Seal.)

My Commission Expires, December 2, 1940.

COMMONWEALTH OF PENNSYLVANIA)
CITY AND COUNTY OF PHILADELPHIA) SS.

I, Ernest H. Brown, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on 21st May, 1937, before me the subscriber, a Notary Public as aforesaid, personally appeared A. J. County, Vice-President of the Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of May 1, 1937, whose name is signed thereto, and the said A. J. County, to me personally known, being by me duly sworn, did depose and say that he resides in St. Davids, in the County of Delaware, in the State of Pennsylvania; that he is a Vice-President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority , duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of said The Pennsylvania Railroad Company; and that he desired the same to be recorded as such.

A. J. COUNTY.

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

ERNEST H. BROWN,
Notary Public.

(Notarial)
(Seal.)

My Commission expires 21 February, 1939.

This Agreement, dated the first day of May, 1937, by and between EDWIN W. BAINBRIDGE and CHARLES McCALL (hereinafter called the Vendors), of the first part, FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania (hereinafter called the Trustee), of the second part, and THE PENNSYLVANIA RAILROAD COMPANY(hereinafter called the Company), of the third part,WITNESSETH AS FOLLOWS:

WHEREAS, the Vendors have contracted to acquire or will acquire or contract to acquire the railroad equipment (hereinafter called the Trust Equipment) specifically described in the Lease of railroad equipment from the Trustee to the Company prefixed to this Agreement, to which Lease reference is hereby made; and

WHEREAS, subscriptions have been or are being secured for the aggregate principal amount of seven million seven hundred forty thousand dollars ($7,740,000.) of the Pennsylvania Railroad Equipment Trust Certificates, Series H, the proceeds to constitute a fund to be furnished to the Trustee to be applied by it in part payment of the purchase price of said Trust Equipment to be acquired by the Trustee; and

WHEREAS, said Vendors desire to secure to the parties subscribing to said fund, or their assigns, the payment of the amount thereof in fifteen annual instalments, payable respectively on May 1, in each year, from May 1, 1938,

to May 1, 1952, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively at the rate of two and three-quarters per cent. (2¾%) per annum from May 1, 1937, payable semi-annually on May 1 and November 1, in each year; and to evidence the rights of the subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The Vendors hereby agree to sell, assign, transfer and set over unto the Trustee, as trustee for the bearers and registered owners of the Trust Certificates hereinafter described, the Trust Equipment described in said Lease prefixed hereto when and as the Trust Equipment or any part thereof is constructed or completed, together with all the Vendors' rights under contracts for the manufacture thereof. The Vendors will deliver, or cause to be delivered, the Trust Equipment to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company, simultaneously with the execution of this Agreement, have executed and delivered said Lease of all the Trust Equipment.

SECTION 2. Upon the transfer and delivery to the Trustee of any of the Trust Equipment it shall, subject to the provisions of Section 5 of this Article I, issue to the Vendors, or upon their order, for distribution to the several subscribers to said Pennsylvania Railroad Equipment Trust, Series H, such of the certificates to be known as Pennsylvania Railroad Equipment Trust Certificates, Series H, herein called the Trust Certificates, as shall be designated by the Vendors, to a principal amount equal to seventy-five per cent. (75%) of the cost of the Trust Equipment so transferred and delivered to it, or to the greatest multiple of $1,000 contained therein, and make payment to the Vendors, or upon their order, in cash, of the remainder of said cost, out of the instalment of rental payable upon such delivery pursuant to subdivision (a) of Article First of said Lease. Any amount by which seventy-five per cent. (75%) of the cost of Such Trust Equipment shall exceed the greatest multiple of $1,000 contained therein shall be adjusted upon the delivery of the next lot of Trust Equipment hereunder.

SECTION 3. In lieu of executing and delivering Trust Certificates against the delivery of Trust Equipment as in Section 2 of this Article I provided, the Trustee shall at any time, upon request of the Vendors, execute and deliver to the Vendors, or upon their order, for distribution to said several subscribers, all the Trust Certificates issuable hereunder, upon the deposit in cash with the Trustee, or to its credit as Trustee hereunder, with such banks, bankers or trust companies as may be designated by the Vendors and approved by the President or a Vice-President, or the Treasurer of the Company, and also approved by the President or a Vice-President, or the Treasurer of the Trustee, of the sum of $7,740,000. The Trustee may likewise cause to be deposited with such banks, bankers or trust companies the instalments of rental payable to it on each delivery of Trust Equipment pursuant to subdivisions (a) and (b) of Article First of said Lease, and any sums received by it pursuant to Article Third of said Lease.

Any interest allowed by the Trustee or by said banks, bankers or trust companies upon any monies so deposited shall, upon completion of delivery of the Trust Equipment as in this Agreement and in said Lease provided, belong to the Company and be paid to it by or upon the order of the Trustee, so long as the Company shall not be in default hereunder or under said Lease, in lieu of the use of the Trust Equipment for the period before the delivery thereof. The certificates of the banks, bankers or trust companies so designated, stating that they hold a stated amount subject to the order of the Trustee, shall be full protection to the Trustee for its action on the faith thereof. Said banks, bankers or trust companies shall be fully protected in paying said moneys so deposited with them, and any such interest, to or upon the order of the Trustee, and shall be under no obligation to see to the application thereof in accordance with the provisions of this Agreement.

In respect of such Trust Certificates so issued against deposits of cash, the Company will pay to the Trustee all rentals which it would be required by subdivisions (c), (d), (e) and (f) of Article First of the aforementioned Lease to pay to the Trustee (at the same times and in the same amounts and manner) if such Trust Certificates were issued against a proportionate amount of Trust Equipment actually delivered to the Trustee and leased by it to the Company.

SECTION 4. The cash deposited with or to the credit of the Trustee, as in Section 3 of this Article I provided (hereinafter called the Deposited Cash), any instalments of rental paid upon the delivery of Trust Equipment pursuant to subdivisions (a) or (b) of Article First of said Lease, and any sums received by said Trustee pursuant to Article Third of said Lease, shall, until paid out by the Trustee as herein provided, be held for the benefit of the holders of the Trust Certificates. Whenever from time to time any of the Trust Equipment shall be transferred and delivered to the Trustee, the Trustee shall, if requested so to do, subject to the provisions of Section 5 of this Article I, pay to the Vendors, or upon their order out of the Deposited Cash, an amount equal to seventy-five per cent. (75%) of the cost of the Trust Equipment so transferred and delivered to it, and shall make payment of the remainder thereof out of the instalment of rental payable on such delivery pursuant to subdivision (a) of Article First of said Lease.

If, whenever any of the Trust Equipment shall be transferred and delivered to the Trustee, the aggregate cost of all the Trust Equipment which shall then and theretofore have been delivered should exceed $10,320,000., the Trustee shall, if requested to do so, subject to the provisions of Section 5 of this Article I, make payment to the Vendors, or upon their order, to the extent of such excess, out of the installment of rental payable on such delivery pursuant to sub-division (b) of Article First of said Lease.

SECTION 5. The Trustee shall not issue any Trust Certificates, or pay out any Deposited Cash or sums received by it under sub-divisions (a) or (b) of Article First of said Lease, against the delivery of any of the Trust Equipment, unless and until it shall have received

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment specified by number in such certificate has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a bill or bills of sale of such Trust Equipment from the manufacturer or owner thereof or the Vendors to the Trustee, containing or accompanied by a warranty or guaranty to the Trustee that the title to the Trust Equipment described therein is free from all liens or encumbrances;

(c) an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) that such bill or bills of sale are valid and effective, either alone or in connection with any other instruments executed in connection therewith, to vest in the Trustee, free from all liens and encumbrances, the title so transferred to the Trustee, and that the provisions of Section 4 of Article III of this Agreement, with respect to filing or recording, have been complied with; and

(d) a certificate or certificates as to the cost of such Trust Equipment signed by the Treasurer or an Assistant Treasurer of the Company, which certificates may state either that the cost of such Trust Equipment is an amount therein specified or that the cost of such Trust Equipment is not less than an amount therein specified.

Any certificate as to cost may state that the cost of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment as evidenced by a final certificate or certificates of cost to be delivered to the Trustee. If the aggregate final cost of all the Trust Equipment specifically described in the said Lease should be less than the estimated cost of $10,320,000., the Vendors will acquire and transfer, or cause to be acquired and transferred, to the Trustee, subject to all the terms of this Agreement, other new railroad equipment, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least the said sum.

SECTION 6. The provisions of the preceding sections of this Article I are intended to permit (upon compliance with the conditions and requirements thereof) deliveries from time to time of portions of the Trust Equipment listed in any one item of the description thereof contained in the aforesaid Lease, and the issuance of Trust Certificates or payment out of the Deposited Cash or out of the instalments of rental payable on such delivery pursuant to the subdivisons (a) and (b) of Article First of said Lease, as against such deliveries; and shall not be construed as requiring deliveries of all of the equipment listed in any one item of such description as a condition to such issuance or payment.

SECTION 7. Anything in this Article contained to the contrary notwithstanding, the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the sum of seven million seven hundred forty thousand dollars ($7,740,000) at any one time outstanding (subject, however, to the provisions of Section 6 of Article II of this Agreement).

ARTICLE II.

SECTION 1. Each of the Trust Certificates shall represent an interest to the amount of one thousand dollars ($1,000) in the trust of the Trust equipment hereby created, and the bearer or registered holder thereof shall be entitled to receive dividends on said amount at the rate of two and three-quarters per cent. (2¾%) per annum from May 1, 1937, payable semi-annually on May 1 and November 1, in each year. The Trust Certificates shall become due and payable as follows:

On May 1, 1938	$516,000	principal	amount
On " 1939	516,000	"	"
On " 1940	516,000	"	"
On " 1941	516,000	"	"
On " 1942	516,000	"	"
On " 1943	516,000	"	"
On " 1944	516,000	"	"
On " 1945	516,000	"	"
On " 1946	516,000	"	"
On " 1947	516,000	"	"
On " 1948	516,000	"	"
On " 1949	516,000	"	"
On " 1950	516,000	"	"
On " 1951	516,000	"	"
On " 1952	516,000	"	"

The due date of each Trust Certificate shall appear upon its face. The Trust Certificates shall be numbered from 1 consecutively upward to 7,740, both inclusive.

Dividend warrants evidencing the right of the holders of the Trust Certificates to the dividends thereon, shall be annexed to the respective Trust Certificates.

SECTION 2. The Trust Certificates, the dividend warrants to be annexed thereto, and the guaranty to be endorsed thereon by the Company as hereinafter in Article III provided, shall be in substantially the following forms:

(FORM OF TRUST CERTIFICATE.)

$1,000 No.

PENNSYLVANIA RAILROAD EQUIPMENT TRUST

SERIES H
TOTAL ISSUE $7,740,000

Dividends at the Rate of 2¾ Per Cent. per annum.

Payable May 1 and November 1.

Fidelity-Philadelphia Trust Company, of Philadelphia,

Pennsylvania, Trustee.

PRINCIPAL HEREOF DUE MAY 1, 19 .

FIDELITY-PHILADELPHIA TRUST COMPANY, Trustee under an Agreement dated May 1, 1937, between Edwin W. Bainbridge and Charles McCall, of the first part, Fidelity-Philadelphia Trust Company, Trustee, of the second part, and The Pennsylvania Railroad Company, of the third part, hereby certifies that the bearer, or, if this certificate be registered, the registered owner hereof, is entitled to an interest of One Thousand Dollars in the PENNSYLVANIA RAILROAD EQUIPMENT TRUST, SERIES H, payable on May 1, 19 , and to dividends thereon at the rate of 2¾ per cent. per annum from May 1, 1937, payable semi-annually on May 1 and November 1 in each year, but only upon presentation and surrender as they severally mature, of the dividend warrants hereto attached, both principal and dividends being payable at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at the option of the bearer or registered owner, at its agency in the Borough of Manhattan, The City of New York, (which agency

may be the office of The Pennsylvania Railroad Company in said Borough and City), in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of this trust certificate) which The Pennsylvania Railroad Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, but only from and out of rentals received by the Trustee from a certain Lease of railroad equipment made by Fidelity-Philadelphia Trust Company, Trustee, to The Pennsylvania Railroad Company, dated May 1, 1937.

This certificate is one of an issue of 7,740 certificates for $1,000 each, substantially identical except as to dates of maturity, all issued or to be issued under said Agreement, under which said railroad equipment (or deposited cash in lieu thereof as provided in said Agreement) and said Lease thereof are held by said Trustee in trust for the pro rata benefit of the holders of the interests represented by said certificates, to which Agreement and Lease, filed with the Trustee at its office in the City of Philadelphia, Pennsylvania, reference is made for a further statement of the rights of the bearer or registered owner hereof thereunder.

This certificate may be registered in the name of the holder hereof at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan, The City of New York, and such registration noted hereon by or on behalf of the Trustee. Thereafter title to the interest represented by this certificate shall pass only by transfer registered at said office or agency unless and until a transfer to bearer shall have been similarly registered and noted hereon. Such registration shall apply only to the principal of this certificate and not to the dividend warrants hereunto attached, which shall continue to be transferable by delivery merely and payable to bearer. Unless so registered every holder hereof by accepting this certificate agrees that for all purposes the bearer hereof shall be treated as the absolute owner hereof.

In case of default in the performance or observance of any of the covenants of The Pennsylvania Railroad Company in said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect therein provided.

IN WITNESS WHEREOF, The Trustee has caused this certificate to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and dividend warrants bearing the facsimile signature of its Treasurer to be attached hereto, as of the first day of May, 1937.

FIDELITY-PHILADELPHIA TRUST COMPANY,
TRUSTEE,

By

President.

Attest:

Secretary.

(FORM OF DIVIDEND WARRANT.)

$13.75 No.

Due to the bearer hereof on the first day of , 19 , on surrender hereof at the office of the undersigned Trustee in Philadelphia, Pa., or at its agency in the Borough of Manhattan, The City of New York, Thirteen and 75/100 Dollars without deduction for Federal or Pennsylvania taxes (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum, on each dollar of the principal of the trust certificate from which this warrant has been detached), required by law to be paid or retained as provided in, and being the semi-annual dividend then due on, certificate No. of the Pennsylvania Railroad Equipment Trust, Series H, payable only out of rentals received by the Trustee under the Lease referred to in said certificate.

FIDELITY - PHILADELPHIA TRUST
COMPANY, TRUSTEE,
By

Treasurer.

(FORM OF GUARANTY.)

The Pennsylvania Railroad Company, for a valuable consideration, hereby unconditionally guarantees to the bearer or registered owner of the within certificate the prompt payment of One Thousand Dollars, being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of two and three-quarters per cent. per annum on the semi-annual dates mentioned in said certificate and in the dividend warrants thereunto attached, all in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

THE PENNSYLVANIA RAILROAD COMPANY,
By

President.

SECTION 3. The Trust Certificates shall be signed in the name and on behalf of the Trustee by its President or one of its Vice-Presidents, and its corporate seal shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. In case any of the officers of the Trustee who shall have signed and sealed any of the Trust Certificates shall cease to be such officers of the Trustee before the Trust Certificates so signed and sealed shall have been issued and delivered by the Trustee, such Trust Certificates shall be adopted by the Trustee and be issued and delivered as though the persons who signed and sealed such Trust Certificates had not ceased to be such officers of the Trustee. The dividend warrants to be thereunto attached shall be authenticated by the facsimile signature of the present or any future Treasurer of the Trustee; the Trustee shall adopt and use for that purpose any such facsimile signature notwithstanding the fact that such Treasurer shall have ceased to be such Treasurer at the time when any such Trust Certificate shall be issued and delivered as

herein provided. Before executing or delivering any Trust Certificates all matured dividend warrants thereto appertaining shall be cut off and cancelled and delivered by the Trustee to the Company.

SECTION 4. Temporary printed Trust Certificates, with or without dividend warrants, in such form and denominations as the Trustee may determine, may be issued by the Trustee, having endorsed thereon said guaranty of the Company, which shall be exchangeable upon surrender for definitive engraved or lithographed Trust Certificates, having endorsed thereon said guaranty of the Company, when the same shall have been prepared. Each of such temporary Trust Certificates shall designate the date or dates of maturity of the definitive Trust Certificate or Certificates for which it is exchangeable and until such exchange said temporary Trust Certificates shall be entitled to the same benefit of this Agreement in all respects as said definitive Trust Certificates, including the guaranty of payment by the Company.

SECTION 5. The Trust Certificates shall be negotiable and shall pass by delivery unless registered as to principal in the manner hereinafter provided. Any of the definitive Trust Certificates may be registered in the name of the holder at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan, The City of New York (which agency may be the office of The Pennsylvania Railroad Company in said Borough and City), and such registration shall be noted thereon by or on behalf of the Trustee. Thereafter no transfer thereof shall be valid unless made at said office or agency by the registered holder thereof, in person or by his duly authorized attorney, and similarly noted; but the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; and such Trust Certificates may again and from time to time be registered or transferred to bearer as before.

Such registration, however, shall not affect the dividend warrants, but every such dividend warrant shall continue to be transferable by delivery merely and shall remain payable to bearer.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any unregistered Trust Certificate and the bearer of any dividend warrant, as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment thereof, and for all other purposes, and shall not be affected by any notice to the contrary. The parties hereto may deem and treat the registered holder of any registered Trust Certificate as the absolute owner of such Trust Certificate for all purposes except payment of dividends, and shall not be affected by any notice to the contrary.

For any registration, transfer or discharge from registration, the Trustee at its option may, and if so requested by the Company shall, require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith.

SECTION 6. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost or destroyed, then on the terms herein set forth, and not otherwise, the Trustee shall, upon the request of the Company, execute and deliver a new Trust Certificate (and the Company shall execute its guaranty thereon), with all unpaid dividend warrants appertaining

thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost or destroyed, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of and substitution for the same if lost or destroyed, and make payment of any matured dividend warrants appertaining to the same. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss or destruction of such Trust Certificate or warrants alleged to have been lost or destroyed and of the ownership and authenticity of such mutilated, defaced, lost or destroyed Trust Certificate and warrants, and also such security or indemnity as may be required by the Trustee and by the Company in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost or destroyed Trust Certificates and warrants and shall preclude any and all other rights and remedies, any law or statute now existing or hereinafter enacted to the contrary notwithstanding.

ARTICLE III.

SECTION 1. The Company hereby accepts and becomes bound by all the terms of this Agreement, and hereby covenants and agrees to make payment of the reasonable expenses of the Trustee, and of all taxes, assessments and other governmental charges herein mentioned for which the Trustee may be liable, or which (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of the Trust Certificates) the Trustee or the Company may be required to pay or to retain from the principal of the Trust Certificates or the dividends payable in respect thereof, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

SECTION 2. The Company covenants and agrees and guarantees that the bearer or registered holder of each of the Trust Certificates shall receive the sum of One Thousand Dollars, or, in the case of temporary Trust Certificates, the principal amount therein expressed to be payable, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, when and as the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and shall receive dividends thereon in like coin or currency at the rate of two and three-quarters per cent. (2¾%) per annum, from May 1, 1937, payable semi-annually on May 1 and November 1 in each year, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of the Trust Certificates) which the Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, and at the times and place and otherwise as expressed in the Trust Certificates and in the dividend warrants thereto attached; and the Company further covenants and agrees to endorse upon each of the Trust Certificates, at or before the issue and delivery thereof by the Trustee, its

guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form in Section 2 of Article II hereof provided. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the President or one of its Vice-Presidents, or by such other person or persons as shall have been duly authorized by its Board of Directors to sign for the President and upon behalf of the Company. In case any of the officers of the Company who shall have signed said guaranty shall cease to be such officers of the Company before the Trust Certificates shall have been actually issued and delivered by the Trustee, such guaranty shall nevertheless be as effective and binding upon the Company as though the persons who signed such guaranty had not ceased to be such officers of the Company.

SECTION 3. The Company covenants and agrees that it will pay or cause to be paid or discharged, or make adequate provision for the satisfaction or discharge of, any debt, obligation or claim which, if unpaid, might become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless thereby, in the judgment of the Trustee, the rights or interests of the holders of Trust Certificates may be materially endangered.

SECTION 4. The Company covenants and agrees to pay the expenses incident to the preparation and execution of the Trust Certificates and dividend warrants, including any temporary Trust Certificates to be issued hereunder, or connected with the preparation, execution, recording, registration and filing hereof or of said Lease or of any instruments executed under the provisions hereof or of said Lease in respect of the Trust Equipment or Lease, or any equipment or parts used to replace any of the same. The Company with all convenient speed will cause this Agreement and said Lease, and all supplemental leases and agreements which may be executed under the terms of this Agreement or of said Lease, to be duly filed, refiled, recorded and re-recorded in all states wherein are situated railroad lines owned or operated by the Company under lease or otherwise, or by any railroad company a majority of the capital stock of which is owned by the Company and to which it shall permit the use of any of the Trust Equipment, or lines over which the Company or such a railroad company has trackage rights, and in all states where any of the Trust Equipment shall be delivered, and otherwise as may be required by law, so that this Agreement and said Lease and all said other instruments may at all times be duly filed and recorded.

SECTION 5. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fuly carrying out and effectuating this Agreement and said Lease and the intent thereof.

ARTICLE IV.

SECTION 1. In order to prevent any accumulation of Trust Certificates or of dividend warrants after maturity, neither the Trustee nor the Company shall directly or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution

therefor shall be issued, and neither the Trustee nor the Company shall directly or indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants, or for an advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee or the Company,or in case, at or after maturity, any Trust Certificate or dividend warrant shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Company or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustee or the Company, such Trust Certificate or dividend warrant shall not be entitled to the benefit of said Lease or of this Agreement, except subject to the prior payment in full of the principal of all other Trust Certificates and dividend warrants, whether the same be then matured or unmatured.

SECTION 2. In case one or more of the events of default described in Article Seventh of said Lease shall happen, the Trustee in its descretion may, and at the request of the bearers or registered holders of a majority in amount of the Trust Certificates then outstanding shall, declare the principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable. In case one or more of said events of default shall happen (whether the principal of the Trust Certificates shall have been declared due and payable or not), the Trustee may retake possession of the Trust Equipment or any part thereof and may either hold or lease the same or any part thereof, or dispose of the same or any part thereof in such manner, so far as may be necessary to perform the trusts hereunder, at public or private sale, for cash or upon credit, or partly for cash and partly upon credit, as the Trustee may deem most beneficial to the interests of the bearers or registered holders of said Trust Certificates, and upon the written request of the bearers or registered holders of one-quarter in amount of the Trust Certificates at the time outstanding, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all steps for the protection and enforcement of its rights and the rights of the holders of the Trust Certificates, and to exercise one or more of the powers of entry, sale and lease in said Lease conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee being advised by counsel shall deem most expedient in the interest of the holders of the Trust Certificates; but, anything in this Agreement to the contrary notwithstanding, upon proper indemnity to the Trustee, the holders of a majority in amount of the Trust Certificates then outstanding shall have the right from time to time to direct and control the proceedings for any enforcement of said Lease and this Agreement and the sale or lease of the Trust Equipment. The proceeds of such proceedings or lease or sale shall be applied by the Trustee to the payment, after deducting its reasonable compensation, the expenses of the trust and any and all taxes, assessments and other governmental charges which the Trustee may by law be required to pay in respect of the trust or the Trust Certificates aforesaid or the dividends thereon:

(1) of the dividends then due with interest on any overdue dividends at the rate of two and three-quarters per cent. per annum; and

(2) of the principal of all said outstanding Trust certificates with interest thereon at the rate of two and three-quarters per cent. per annum from the last preceding dividend date, whether said Certificates or any of them shall then have matured by their terms or not;

all said payments to be in full, if said proceeds shall be sufficient, and if not, then pro rata, without preference of principal over dividends, or of dividends over principal or otherwise (subject, however, to Section 1 of this Article IV), and without regard to the dates of maturity thereof. All certificates and dividend warrants shall be surrendered to the Trustee and cancelled if paid in full, and if paid in part only shall be presented to the Trustee and notice of such part payment stamped thereon.

The foregoing provisions, however, are subject to the condition that if at any time after the principal of the Trust Certificates shall have been declared and have become due and payable, as hereinbefore provided, but before May 1,1952, all arrears of rental (with interest upon any overdue installment at the rate of two and three-quarters per cent. per annum), the expenses of the Trust, the reasonable compensation of the Trustee, and all other sums which shall have become due and payable by the Company hereunder or under said Lease (other than the principal of Trust Certificates and rental instalments which shall not at the time have matured according to their terms), shall be paid by the Company before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition of this Agreement or said Lease shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the bearers or registered holders of a majority in principal amount of the Trust Certificates then outstanding and which shall not have then matured according to their terms, shall, by written notice to the Company, waive the default by reason of which the principal of the Trust Certificates shall have been declared and become due and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act, against the Company or in respect to the Trust Equipment, on the part of the Trustee or on the part of any bearer or registered holder of any Trust Certificate or the bearer of any dividend warrant, nor any delay or indulgence granted to the Company by the Trustee or any such holder, shall affect the obligations of the Company under this Agreement or under said Lease or under its guaranty.

ARTICLE V.

SECTION 1. The Trustee hereby covenants and agrees, so far as reasonably possible, to perform, and to enforce the performance of, all and singular the terms, conditions and covenants of said lease, including, without limitation, the marking of the Trust Equipment.

SECTION 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivisions (c), (d), (e) and (f) of Article First

of said Lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the Trustee's reasonable compensation and the necessary and reasonable expenses of the trust connected with the Trust Equipment and said Lease thereof;

(b) to the Payment of any and all taxes, assessments and other governmental charges upon the income or property of the trust, or the agreements evidencing the same, which the Trustee may be required to pay; and of any and all taxes, assessments and other governmental charges (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of the Trust Certificates) which the Trustee may be required to pay or to retain from the principal of the Trust Certificates or from the dividends payable thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania;

(c) to the payment of the dividends payable on the Trust Certificates when and as the same shall become payable; and

(d) to the payment of the principal of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof.

SECTION 3. The Trustee shall cause to be kept, at an agency in the Borough of Manhattan, the City of New York, books for the registration and transfer of the Trust Certificates, and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, and under such reasonable regulations as may be prescribed, any of the Trust Certificates. The Trustee, at all times until the payment of the principal of all the Trust Certificates, shall keep an agency in the Borough of Manhattan in the City of New York, where the Trust Certificates and dividend warrants may be presented for payment. Such agency may be the office of the Company in said Borough and City.

SECTION 4. The Trustee assumes no liability for anything other than its own wilful default, misconduct or gross neglect, or that of its officers. It shall be required to undertake no act or duty in the way of taking care of or taking possession of the Trust Equipment until fully secured against all liability and expenses. No duty of insurance or of repairs or of protection of any of the Trust Equipment is incumbent upon it, nor shall it be responsible for the filing, refiling, recording or re-recording of this Agreement or of said Lease; and the Trustee may issue and deliver Trust Certificates in advance of such filing or recording.

The Trustee shall incur no liability or responsibility by reason of its application of the proceeds of the Trust Certificates and/or of rentals payable to it under Article First, subdivisions (a) or (b) of the Lease, or any part thereof, from time to time in varying amounts, prior to the completion and delivery of all the Trust Equipment, and/or prior to the final certification to it of the cost of the Trust Equipment, provided such application is made in accordance with the provisions of this Agreement.

In accepting delivery of and making payment for the Trust Equipment hereunder, the Trustee may rely upon and shall be fully protected by the certificates,

bills of sale and opinions of counsel to be furnished to it under Section 5 of Article I of this Agreement.

The Trustee may exercise its powers and perform its duties by or through such attorneys, employes, agents and servants as it shall appoint, and it shall be entitled to the advice of counsel (who may in cases deemed by the Trustee, in its reasonable discretion, to be appropriate, be counsel to the Company), and shall be protected by the advice of such counsel in anything done or omitted to be done by it in accordance with such advice. The Trustee shall not be liable or responsible for the neglect, default or misconduct of any attorney, agent, employe or servant appointed and retained by it in the exercise of reasonable care, but nothing in this sentence contained shall limit any liability of the Trustee, pursuant to the first sentence of this Section 4, for acts, neglects or defaults of its officers.

SECTION 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the trusts hereby created unless requested thereunto in writing by the holders of not less than one-quarter in amount of the then outstanding Trust Certificates and upon being satisfactorily indemnified against expense and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates and dividend warrants in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default, or to take action without request.

SECTION 6. No bearer or registered holder of any Trust Certificate or the bearer of any dividend warrant issued hereunder shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trust hereby created unless, after the aforesaid request in writing by the bearers or registered holders of not less than one-quarter in amount of the then outstanding Trust Certificates shall have been made upon the Trustee, indemnity satisfactory to it provided, and a reasonable time elapsed for action by the Trustee upon such request, it shall decline to institute any proceedings pursuant thereto.

SECTION 7. The Trustee may, for all purposes, conclusively assume that the Company is not in default under the terms hereof until notified in writing to the contrary by the bearers or registered holders of at least one-tenth in amount of the Trust Certificates then outstanding, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee.

SECTION 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant, receipt, request, opinion, or other paper or instrument believed by it to be genuine or authentic, and to be signed by the proper party or parties.

SECTION 9. The Trustee will allow interest upon all moneys received by it under the provisions of this Agreement or of said Lease at the rate generally prevailing among Philadelphia trust companies or allowed by it upon deposits of a similar character.

SECTION 10. The Trustee shall, at least once in each year, if requested by the Company, render to the Company a statement of its said trust and of the accounts relating thereto, and covering such matters as the Company may properly

require, and the Vendors and the Company or either of them, may from time to time examine the books and accounts of the Trustee relating to said Trust Certificates and said Lease, to this Agreement and to the acts of the Trustee hereunder.

SECTION 11. The Trustee may resign and be discharged from the trusts created by this Agreement by giving to the Company and to the holders of the Trust Certificates then outstanding notice in writing of such resignation, specifying a date when such resignation shall take effect. Such notice may be given to the holders of the Trust Certificates by publication of the notice at least once in each of three successive calendar weeks prior to the date specified in such notice in a daily newspaper published in the Borough of Manhattan in the City of New York, and in a daily newspaper published in the City of Philadelphia, Pennsylvania. Such resignation shall take effect on the date specified in such notice (which date shall not be less than thirty days after the giving or first publication of such notice), unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee and executed by the holders of a majority in principal amount of the Trust Certificates at the time outstanding.

SECTION 12. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the bearers or registered holders of a majority in principal amount of the Trust Certificates at the time outstanding, by an instrument or concurrent instruments signed by such Certificate holders or their attorneys in fact duly authorized; but until a new trustee shall be appointed by said Certificate holders as herein authorized, the Company, by an instrument executed under its corporate seal, may appoint a trustee to fill such vacancy. Every such successor trustee, whether appointed by the Certificate holders or by the Company, shall always be a trust company or bank having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York and having an office either in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan in The City of New York, and having a capital and surplus aggregating at least five million dollars. After any such appointment by the Company, it shall cause notice of such appointment to be published once a week in each of four successive weeks in a daily newspaper published and of general circulation in the Borough of Manhattan, The City of New York, and in one such newspaper published and of general circulation in the City of Philadelphia, Pennsylvania; but any new trustee so appointed by the Company shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the bearers or registered holders of a majority in principal amount of the Trust Certificates at the time outstanding.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act

shall, on the written request of such successor trustee, assign and transfer the trust estate or cause the trust estate to be assigned and transferred to the successor trustee, and shall thereupon be entitled to the payment of its charges and expenses theretofore incurred. Upon request of such successor trustee, the Company shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all the right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Company.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, provided such corporation shall be a corporation having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York, and shall do business in the City of Philadelphia, Pennsylvania, or the Borough of Manhattan in the City of New York, and have a capital and surplus aggregating at least five million dollars, shall be the successor trustee under this agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VI.

No recourse under any obligation, covenant or agreement of this Agreement, or of the guaranty of the Company respecting any Trust Certificate or dividend warrant issued hereunder, shall be had against any stockholder, officer or director, as such, of the Company, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that this Agreement, said Lease and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors, as such, of the Company, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement, said Lease or the guaranty of the Company respecting any of the Trust Certificates or dividend warrants issued hereunder, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director, as such, is hereby expressly waived as a condition of and consideration for the execution of this Agreement and the issue of such Trust Certificates and divident warrants.

ARTICLE VII.

Any request or other instrument required by this Agreement to be signed or executed by bearers or registered holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such Certificate holders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this Agreement, and shall be conclusive in favor of the Trustee with regard to

The definitive certificates shall be issued in the denomination of $1,000 in bearer form, with dividend warrants thereto attached, and shall also be issued in denominations of $1,000, $5,000, $10,000, $25,000, and $100,000, without dividend warrants, registered as to principal and dividends. Each of the definitive certificates of the denomination of $1,000 in bearer form shall be dated as of January 1, 1937, and each of the definitive certificates without dividend warrants attached shall be dated the date of its issue. Definitive certificates shall represent an interest to the extent of their principal amount in the trust of the Trust Equipment hereby created, and the bearer or the registered holder thereof shall be entitled to receive dividends on said amounts at the rate of 3½% per annum.

Dividends on the definitive certificates without dividend warrants attached may be paid by remittance of a check or checks for the amount thereof sent by mail, postage prepaid, to the registered holders of such certificates addressed to such holders as their addresses appear on the transfer registers.

The due date of each certificate shall appear on its face. One-twentieth of the aggregate principal amount of the entire issue of certificates shall be due on the first day of July, 1937, and on the first day of January and of July in each year thereafter, to January 1, 1947, both dates inclusive.

The temporary certificates, the definitive certificates of the denomination of $1,000, the dividend warrants to be annexed to the definitive certificates of the denomination of $1,000, and the guaranty to be endorsed on said certificates as hereinafter in Article Third provided, shall be substantially in the forms hereinafter set forth. The definitive certificates without dividend warrants attached, and the guaranty to be endorsed on such certificates, shall be substantially in the form of said definitive certificates of the denomination of $1,000, and of the guaranty to be endorsed thereon, with such appropriate omissions, insertions and variations as shall be required.

(Form of Temporary Certificate)

No..... $.....

WISCONSIN CENTRAL RAILWAY

EQUIPMENT TRUST CERTIFICATE

SERIES B

Dated January 1, 1937 Payable.....19....

Authorized Issue $2,500,000

This is to certify that.....is entitled to an interest of $.....in Wisconsin Central Railway Equipment Trust, Series B, in accordance with the provisions of a certain agreement (herein sometimes called the "Trust Agreement"), bearing date as of the first day of January, 1937, between Minneapolis, St. Paul & Sault Ste. Marie Railway Company, as Vendor, the undersigned Central Hanover Bank and Trust Company, as Trustee, E. A. Whitman, Receiver of the property of the Wisconsin Central Railway Company, and Wisconsin Central Railway Company (hereinafter called the "Railway Company"); and as hereinafter more fully provided, is entitled to the payment of said sum of $.....on the.....day of.....19....., upon surrender of this certificate to the undersigned at its principal office in the Borough of Manhattan, City and State of New York, and to the payment until and including said last mentioned date, of dividends on said sum at the rate of 3½% per annum payable semi-annually on the

first day of July and the first day of January of each year, such payment of the principal amount of this certificate and of the dividends thereon to be made only from and out of rentals when received by the undersigned pursuant to the provisions of the Trust Agreement and of the Lease to the Receiver of the railway equipment described in the Trust Agreement, or from and out of any moneys otherwise received by the Trustee and applicable thereto under the provisions of the Trust Agreement for such payment; in and by which Lease the Receiver agrees to maintain said equipment and to pay to the undersigned as rental therefor an amount sufficient to discharge all taxes and other governmental charges (other than any income tax), the expenses of the trust, the amounts of the dividends and the par value of said certificates, when payable, respectively, as in the Trust Agreement and Lease provided. Both principal and dividends are payable in such coin or currency of the United States of America as, at the time of payment, is legal tender for the payment of public and private debts.

This certificate is one of an issue of certificates of the aggregate amount of $2,500,000, issued under the Trust Agreement dated as of January 1, 1937. For a full statement of the rights and obligations of the Receiver, his successors or assigns, the duties of the undersigned and the rights of the holders of the certificates, and all provisions for substituting a successor for obligations of the Receiver, with resulting termination of all liability of the Receiver, reference is made to the Trust Agreement on file in the office of the undersigned and to the lease therein provided for.

This certificate is transferable only by the registered owner hereof in person, or by his attorney duly authorized, at the principal office of the undersigned, in the Borough of Manhattan, in the City of New York, upon surrender and cancellation of this certificate, accompanied by a written instrument of transfer in form satisfactory to the Trustee, and upon any such transfer one or more new registered certificates without dividend warrants of this series, and for the same aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Trust Agreement. This certificate, also, is exchangeable for one or more bearer certificates of this series for the same aggregate principal amount and bearing all unmatured dividend warrants, which bearer certificates bearing all unmatured dividend warrants may in turn be exchanged for a registered certificate or certificates without dividend warrants of this series for the same aggregate principal amount in each case as provided in the Trust Agreement. For each such transfer or exchange a charge may be made as provided in the Trust Agreement.

In case of a default in the performance or observance of the covenants of the Receiver under the Trust Agreement, or under the Lease therein provided for, the par value of this certificate may become or be declared immediately payable in the manner and with the effect therein provided.

This certificate shall not be deemed in anywise the promise to pay of the undersigned.

IN WITNESS WHEREOF, Central Hanover Bank and Trust Company, as Trustee under the aforesaid Trust Agreement dated as of January 1, 1937, has caused this certificate to be executed in its behalf by one of its Assistant Vice Presidents and its corporate seal to be hereunto affixed, and to be attested by its Secretary or an Assistant Secretary.

Dated.....,1937.

CENTRAL HANOVER BANK AND TRUST COMPANY,

as Trustee,

.....

Assistant Vice President.

Attest:

.....

Assistant Secretary.

(Form of Guaranty for Temporary Certificate)

E. A. Whitman, as Receiver of the property of the Wisconsin Central Railway Company, but not individually, and Wisconsin Central Railway Company, for a valuable consideration, hereby unconditionally guarantee jointly and severally to the registered owner of the within certificate the prompt payment of $....., being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of 3½% per annum on the semi-annual dates mentioned in said certificate.

.....

As Receiver of the Property of Wisconsin Central Railway Company, but not individually.

WISCONSIN CENTRAL RAILWAY COMPANY,

By.....

Vice President.

(Form of Bearer Definitive Certificates)

No..... $.....

WISCONSIN CENTRAL RAILWAY

EQUIPMENT TRUST CERTIFICATE

SERIES B

Dated January 1, 1937 Payable.....19.....

Authorized Issue $2,500,000

This is to certify that the bearer hereof is entitled to an interest of $..... in Wisconsin Central Railway Equipment Trust, Series B, in accordance with the provisions of a certain agreement (herein sometimes called the "Trust Agreement"), bearing date as of the first day of January, 1937, between Minneapolis, St. Paul & Sault Ste. Marie Railway Company, as Vendor, the undersigned Central Hanover Bank and Trust Company, as Trustee, E. A. Whitman, Receiver of the property of the Wisconsin Central Railway Company, and Wisconsin Central Railway Company (hereinafter called the "Railway Company"); and as hereinafter more fully provided, is entitled to the payment of said sum of $..... on the ..... day of ....., 19....., upon surrender of this certificate to the undersigned at its principal office in the Borough of Manhattan, City and State of New York, and to the payment until and including said last mentioned date, of dividends on said sum at the rate of 3½% per annum, semi-annually on the first day of July and the first day of January of each year,

according to the tenor of the dividend warrants hereto annexed, upon presentation and surrender of such warrants, as severally they mature, to the undersigned at its said principal office; such payment of the par value of this certificate and of the dividends thereon shall be made only from and out of rentals when received by the undersigned pursuant to the provisions of the Trust Agreement and of the Lease to the Receiver of the railroad equipment described in the Trust Agreement, or from and out of any moneys otherwise received by the Trustee and applicable thereto under the provisions of the Trust Agreement for such payment; in and by which Lease the Receiver agrees to maintain said equipment and to pay to the undersigned as rental therefor an amount sufficient to discharge all taxes and other governmental charges (other than any income tax), the expenses of the trust, the amounts of the dividends, and the par value of said certificates, when payable, respectively, as in the Trust Agreement and Lease provided. Both principal and dividends are payable in such coin or currency of the United States of America as, at the time of payment, is legal tender for the payment of public and pricate debts.

This certificate is one of an issue of certificates of the aggregate par value of $2,500,000, issued under the Trust Agreement dated as of January 1, 1937. For a full statement of the rights and obligations of the Receiver, his successors or assigns, the duties of the undersigned, and the rights of the holders of the certificates, and all provisions for substituting obligations or a successor for obligations of the Receiver, with resulting termination of all liability of the Receiver, reference is made to the Trust Agreement on file in the office of the undersigned, and to the Lease therein provided for.

Every taker and holder of this certificate and of the attached dividend warrants agrees with the undersigned and with every subsequent taker and holder thereof that this certificate and such warrants shall be transferable with the same effect as in the case of a negotiable instrument payable to bearer, by delivery thereof by any person in possession of the same, howsoever such possession may have been acquired, and that the undersigned may treat the bearer of this certificate and the bearer of the dividend warrants attached hereto as the absolute owner of this certificate or of said warrants, as the case may be, for all purposes.

In the manner prescribed in the Trust Agreement and upon payment of the charges therein provided, the holder of this certificate (or certificates of this Series B), at his option, may surrender for cancellation such certificate (or certificates in the aggregate principal amount of $1,000, or of some multiple thereof) with all unmatured dividend warrants, in exchange for a registered certificate (or certificates) without dividend warrants of the same series for the same aggregate principal amount. Any such registered certificate in like manner, and upon payment of the charges provided in the Trust Agreement, may in turn be exchanged for a bearer certificate or certificates of the same series for the same aggregate principal amount and bearing all unmatured dividend warrants.

In case of a default in the performance or observance of the covenants of the Receiver under the Trust Agreement, or under the Lease therein provided for, the par value of this certificate may become or be declared immediately payable in the manner and with the effect therein provided.

Neither this certificate nor the dividend warrants attached hereto shall be deemed in anywise the promise to pay of the undersigned.

IN WITNESS WHEREOF, Central Hanover Bank and Trust Company, as Trustee under the aforesaid Trust Agreement dated as of January 1, 1937, has caused this certificate to be executed in its behalf by one of its Assistant Vice Presidents, and its corporate seal to be hereunto affixed, and to be attested by its Secretary or an Assistant Secretary, and dividend warrants bearing the engraved facsimile signature of its Treasurer to be attached hereto.

Dated the .....day of ....., 1937,

CENTRAL HANOVER BANK AND TRUST COMPANY,

as Trustee,

By.....

Assistant Vice President.

Attest:

.....

Assistant Secretary.

The dividend warrants attached to said certificates shall read as follows, the blanks being appropriately filled, viz.:

No..... $17.50

Due to the bearer hereof on the first day of .....,19....., on surrender hereof to the undersigned at its principal office in the Borough of Manhattan, City and State of New York, $17.50, being the semi-annual dividend on Certificate No.....of Wisconsin Central Railway Equipment Trust, Series B, payable only out of rentals or other moneys applicable thereto received by the undersigned under the Trust Agreement dated as of January 1, 1937, referred to in said certificate and as therein provided.

CENTRAL HANOVER BANK AND TRUST COMPANY,

as Trustee,

By .....

Treasurer.

The guaranty to be endorsed upon the certificates by the Receiver and Wisconsin Central Railway Company, as hereinafter provided, shall be in substantially the following form:

(Form of Guaranty for Bearer Definitive Certificates)

E. A. Whitman, as Receiver of the property of Wisconsin Central Railway Company, but not individually, and Wisconsin Central Railway Company, for a valuable consideration, hereby unconditionally guarantee jointly and severally to the bearer of the within certificate the prompt payment of $1,000, being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon, at the rate of 3½% per annum on the semi-annual dates mentioned in said certificate and in the dividend warrants thereunto attached.

.....

As Receiver of the Property of Wisconsin Central Railway Company, but not individually.

WISCONSIN CENTRAL RAILWAY COMPANY,

By.....

Vice President.

The Trustee agrees to keep at its principal office in the Borough of Manhattan, in the City and State of New York, a register in which the holders of any such certificates may have the same registered as therein provided.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any bearer certificate issued hereunder, and the bearer of any dividend warrant, as the absolute owner of such certificate or dividend warrant, as the case may be, for the purpose of receiving payment thereof, and for all other purposes, and shall be affected in nowise by any notice to the contrary. The parties hereto may deem and treat the person in whose name any certificate issued hereunder shall be registered, as hereinbefore provided, as the absolute owner of such certificate for the purpose of receiving payment of or on account of the par value of the share or shares represented by such certificate and for all other purposes, and all such payments so made to any such registered holder, or upon his order, shall be valid and effectual to satisfy and discharge the amount payable upon such certificate to the extent of the sum or sums so paid.

The Receiver covenants that he will make payment of the rentals on account of the equipment as provided in this agreement and in the Equipment Lease herein referred to, notwithstanding that any of the certificates and dividend warrants shall have been acquired by the Receiver or shall not have been presented for payment. The Trustee having received the rentals applicable to the payment of the certificates and dividend warrants shall make payments in discharge of the same as therein and herein provided, and thereupon shal cancel the certificates and dividend warrants so paid, and no certificates or dividend warrants in substitution therefor shall be issued. Neither the Trustee nor the Receiver shall extend or consent to the extension of the time of payment of the par value of any certificate or of any dividend warrant, and if such extension be made, such certificate or such dividend warrant so extended shall be subject to the prior payment in full of the par value of the other certificates and dividend warrants the payments of which shall not have been extended, whether such certificates and dividend warrants be then matured or unmatured.

The Receiver, at the request of the Trustee, shall execute his guaranty upon any temporary or definitive certificate issued in exchange for or upon transfer of temporary or definitive certificates as herein provided. For any transfer or exchange, the Trustee at its option may, and if so requested by the Receiver shall, require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith.

In case any certificate or any dividend warrant whether definitive or temporary issued hereunder shall become mutilated or shall be lost, stolen, or destroyed, the Trustee may issue a new certificate or dividend warrant in lieu of the certificate or dividend warrant thus mutilated, lost, stolen, or destroyed, and the Receiver and the Railway Company at the request of the Trustee shall execute their guaranties thereon; but the Trustee shall not be obliged to issue such new certificate or dividend warrant unless it and the Receiver shall have received evidence satisfactory to them of the mutilation, loss, theft, or destruction, nor unless, if mutilated, the certificate or dividend warrant shall be delivered to the Trustee for cancellation, nor unless the Trustee and the Receiver shall be secured against loss or damage in such manner and form as they may deem proper;

and the Trustee may charge for the issue of such new certificate or dividend warrant an amount sufficient to reimburse it for the expense thereby caused.

ARTICLE THIRD.

The Receiver covenants that he will lease from the Trustee, for a term ending January 1, 1947, all the equipment conveyed or caused to be conveyed to the Trustee by the Vendor pursuant to any provision of this Agreement. The lease instrument shall be substantially in the form hereto annexed.

The rentals in the said lease provided to be paid to or for the account of the Trustee by the Receiver, in addition to the advance rentals provided for in Article First hereof and in said lease, shall be equal to the following amounts at the times stated, respectively:

(1) Amounts sufficient to reimburse the expenses and pay the proper compensation of the Trustee in the administration of its trust under this Agreement and under the Equipment Lease; such amounts to be paid from time to time upon request of the Trustee;

(2) Amounts sufficient to pay and discharge any and all taxes, assessments or other governmental charges (other than any income tax) upon the property of the trust under this Agreement which the Trustee may be required to pay, or which by law may be deductible from the par value of the certificates issued under this Agreement, or from the dividends on said certificates; payments of such amounts to be made to the Trustee from time to time and at such times as shall enable the Trustee to pay or discharge any such taxes, assessments or other governmental charges when and as the same severally shall become payable;

(3) To the payment of the dividends payable on the certificate and of the dividend warrants appurtenant thereto when and as the same shall become payable;

(4) To the payment of the principal of the certificates when and as the same shall become payable according to the terms thereof or hereof; and

(5) To the payment of interest on any unpaid dividends, dividend warrants or principal at the rate of 3½ per cent per annum.

It being contemplated that all of the said $2,500,000 of certificates shall be issued forthwith upon the payments aggregating $862,130.22, in cash, as in Article First of this Agreement provided, the Receiver covenants that he will pay to the Trustee the said rentals when and as the same shall become due and payable, as in this Agreement and in the said Equipment Lease provided, notwithstanding that any of such payments shall have become so due and payable prior to the delivery and to the lease to the Receiver of any of the said equipment.

The Receiver and the Railway Company covenant and agree and guarantee that the holder or registered owner of each of the certificates shall receive the par value thereof, when and as the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and shall receive dividends thereon as therein provided at the rate of 3½% per annum upon said par value, at the times and places and otherwise as expressed in the certificates and in the dividend warrants thereunto attached, and the Receiver and the Railway Company further covenant and agree to endorse upon each of the certificates at or before the issue and delivery thereof by the Trustee, their respective unconditional guaranties of the prompt payment of the par value thereof and of the dividends thereon, substantially in the forms set forth in Article Second of this Agreement.

The Receiver covenants that he will not assign, transfer or encumber his interest in or under this Agreement, or in or under any lease made as provided herein, or in or to any of such equipment, except subject hereto.

ARTICLE FOURTH.

The Trustee covenants that all its interest and rights under this Agreement and under the Equipment Lease to be made by it to the Receiver as herein provided, and all its title to all the equipment thereby leased to the Receiver, and all rentals of said equipment received or collected by the Trustee from the Receiver, as well as all proceeds of any subsequent lease or sale of the equipment which may be received by the Trustee as hereinafter provided, are to be held and shall be held by the Trustee, in trust, for the use and benefit of the holders of the certificates issued hereunder, ratably according to the par value of their respective shares represented by said certificates and to be disposed of by the Trustee in accordance with the provisions of this Agreement.

The Trustee further covenants to enforce as far as practicable (in the manner herein provided and subject to the provisions of Article Sixth hereof), for the use and benefit of the holders of the certificates, the performance of all and singular the terms, conditions and covenants of the Equipment Lease, and to apply and distrubute the rentals thereunder (other than the advance rental of cash amounting to $862,130.22 to be applied as part of the purchase price of the equipment) when and as the same shall be received, to and for the following purposes, and in the following order, to-wit:

(1) To the payment of the expenses and proper compensation of the Trustee for its services under this Agreement and the said lease;

(2) To the payment of any and all taxes or other governmental charges (other than any income tax) which the Trustee may be required by law to pay or deduct;

(3) To the payment (subject to the withholding of any tax thereon which the Trustee may be required by law to pay or deduct therefrom and which the Receiver has not agreed to pay) of the dividend warrants attached to the certificates when and as the same respectively shall become payable, subject to the provisions of Article Second hereof; and

(4) To the payment (subject to the withholding of any tax thereon which the Trustee may be required by law to pay or deduct therefrom and which the Receiver has not agreed to pay) of the par value of the certificates when and as the same respectively shall become payable, subject to the provisions of Article Second hereof.

ARTICLE FIFTH.

In case the Receiver shall at any time commit an act of default as defined in the Equipment Lease, or shall fail to keep and perform any of his obligations under this Agreement, the Trustee shall be entitled to enforce all the terms and stipulations of the lease for the benefit of the holders of the certificates, and the Trustee may, and upon the written request of the holders of 25% of the aggregate par value of the certificates issued hereunder and then outstanding shall, declare the par value of all of the certificates to be payable immediately. In case the

Trustee shall retake possession of the equipment, it either may hold or may lease, or publicly or privately and for cash or upon credit may sell or dispose of said equipment, or any part thereof, as the Trustee in its discretion may deem most beneficial to the holders of the certificates and as may be authorized by law. The proceeds of any such lease or sale or disposition together with any insurance money and other moneys in the hands of the Trustee, including moneys deposited to its credit as aforesaid, after deducting the expenses and compensation of the Trustee, and any sums paid for insurance premiums and all taxes which the Trustee may be required by law to pay in respect of the trust property or the certificates or the dividends thereon, shall be applied by the Trustee to the payment, first of the dividend warrants then due, and next, of the par value of all of the outstanding certificates, whether the same shall have then matured by their terms or not, in full, if such proceeds shall be sufficient, and, if not sufficient, then pro rata, subject to the provisions of Article Second hereof.

ARTICLE SIXTH.

The Trustee shall not be liable to any of the parties hereto, or to any of the holders of the certificates or warrants, for the delivery of any of the equipment, or for any defect therein, or in the title thereto of the Trustee, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation of the value thereof.

The Trustee may exercise its powers and perform its duties by or through such attorneys, agents and servants as it shall appoint, and shall be answerable only for its own acts, neglects and defaults, and not for the default or misconduct of any attorney, agent or servant selected by it with reasonable care; nor shall it be liable in any event for any cause except for its own gross negligence or wilful misconduct.

The Trustee shall not be under any obligation to take any action toward the execution or enforcement of the trust created by this Agreement or of the provisions of the Equipment Lease, which in its opinion will be likely to involve it in any expense or liability, unless the holders of 25% of the aggregate par value of the certificates issued hereunder and then outstanding shall file with the Trustee a written request so to do and unless one or more of the holders of the certificates issued hereunder shall furnish to the Trustee, as often as it may require, indemnity satisfactory to the Trustee against such expense or liability; nor shall the Trustee be deemed to have notice of any default under this Agreement or in any lease provided for herein unless notified in writing of such default by one or more holders of the certificates issued hereunder; but the foregoing provisions of this Article Sixth are intended only for the protection of the Trustee, and shall not be construed to limit or to affect any discretion or power given to the Trustee by any provision of this Agreement or of any lease to determine whether or not it shall take action in respect of any default, or any power or discretion of the Trustee to take action in respect of any default without such notice or request from certificate holders.

The Trustee in its discretion may advise with legal counsel to be selected and employed by it at the expense of the Receiver, who may be counsel for the Receiver, and anything done or suffered in good faith by the Trustee in accordance

with the opinion of counsel shall be conclusive in favor of the Trustee as against the parties to this Agreement and all holders of certificates issued hereunder.

The Trustee shall be under no duty or obligation to see to the recording, registration or filing of this Agreement or of any lease of the equipment, or of any agreement or other instrument hereafter executed in respect of the equipment or parts thereof or of any substituted or additional equipment subjected to this Agreement or any such lease; but the Receiver hereby agrees to file or record or register this Agreement, in connection with the writing whereby the equipment is leased by the Trustee to the Receiver, in each and every jurisdiction in which the lines of railraod of the Railway Company enter, if in such jurisdiction it is provided or permitted by law that an equipment trust agreement shall be or may be filed, recorded or registered in connection with an equipment lease or otherwise, and in any jurisdictions as may be required by law in order to publish notice of, and to protect the Trustee's title to, the leased equipment and any replacements thereof.

The Trustee shall not be responsible in any way for the recitals herein or in any lease of the equipment contained, such recitals being made solely by the Receiver, or for the validity hereof, or for any mistake of fact or law.

The Trustee shall be under no duty or obligation to see to the maintenance, repairing or insuring of any of the equipment.

No holder of any certificate or warrant issued hereunder shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trusts hereby created unless request in writing by the holders of not less than twenty-five per cent in amount of the then outstanding certificates shall have been made upon the Trustee as aforesaid, and indemnity satisfactory to it furnished, and unless after a reasonable time shall have elapsed for action by the Trustee upon such request, it declines to institute any proceedings pursuant thereto.

The Trustee shall not incur any liability to anybody in acting upon any notice, request, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic, and to be signed by the proper party or parties.

The Receiver agrees to pay the expenses and any stamp taxes or other taxes incident to the preparation, execution and certification of the certificates and dividend warrants to be issued hereunder, or incident to the preparation, execution, recording, registration and filing hereof and of any instruments hereafter executed under the provisions hereof in respect of any of the equipment or any lease thereof or any equipment or parts used to replace any of the equipment, or any sale or purchase of any equipment or parts.

The Trustee shall be reimbursed by the Receiver for, and be indemnified by it against, any expense and any liability and damages which may be sustained by the Trustee hereunder.

In case of default under any lease, as therein provided, the expenses and compensation of the Trustee shall first be paid out of the proceeds of any sale of the equipment.

Any moneys received by or held for the account of the Trustee hereunder, or under any of the leases, shall, until it is required to pay out the same in conformity herewith, be held by the Trustee for the purposes set forth in this Agree-

ment and in the Equipment Lease, and the Receiver shall be entitled to such interest thereon as during that time the Trustee or the other depositaries by which said moneys are held allows to similar depositors; provided, however, that on request of the Receiver, such moneys shall be invested by the Trustee (until it is required to pay out the same in conformity herewith), in certificates of indebtedness or other obligations of the United States, bonds or notes of the City of New York issued in anticipation of the collection of taxes, or in bank acceptances. The Receiver shall be entitled to receive any profit which may arise from the sale of such certificates of indebtedness or other obligations, bonds, notes, or bank acceptances, and shall reimburse the Trustee for any loss sustained in connection therewith; and the Trustee shall not be liable to any one for any loss so sustained. The certificates of the banks, bankers, or trust companies designated as depositaries under the provisions of this agreement, stating that they hold a stated amount subject to the order of the Trustee, shall be full protection to the Trustee for its action on the faith thereof; and the Trustee shall not be liable for any act or omission of any such depositary. Neither the Trustee nor any of the banks, bankers, or trust companies designated as depositaries to which payment may be made for the account of the Trustee as hereinbefore provided, shall have any responsibility, to the Receiver or to the holders of certificates or otherwise, for any moneys on deposit with such banks, bankers, or trust companies except each for moneys actually deposited with itself or themselves. Said banks, bankers, or trust companies shall be fully protected in paying said moneys so deposited with them, and any such interest, to or upon the order of the Trustee, and shall be under no obligation to see to the application thereof in accordance with the provisions of this Agreement.

Interest allowed by the Trustee upon moneys received by it, interest upon moneys invested by the Trustee on request of the Receiver in securities of the classes above specified, and interest allowed by any such banks, bankers, or trust companies upon moneys deposited with them to the credit of the Trustee, shall be applied by the Trustee toward the payment of the dividend warrants as from time to time they fall due.

The Trustee may become the owner of certificates and warrants issued hereunder with the same rights which it would have if it were not Trustee.

If at any time the Trustee or any successor to it in the trust hereby created shall desire to divest itself of its title to the equipment, and to terminate its duties and obligations and rights under this Agreement and the Equipment Lease and the certificates, it shall so notify the Receiver in writing, and the Receiver shall thereupon designate in writing to the Trustee a bank or trust company, qualified as below specified, to which may be assigned the entire right, title and interest of the Trustee in the equipment, and in which may be vested the rights, powers, duties and obligations of the trust under this Agreement and the Equipment Lease and the certificates. Upon the transfer and delivery of all moneys and equipment held by the Trustee, and the execution by the Trustee of such instruments of transfer as may be reasonably requested by the successor trustee, and upon acceptance by the successor trustee of the assignment and of the trust, the Trustee shall be relieved and discharged of all the title, rights, powers, duties, obligations and immunities of the trust under this Agreement and the Equipment Lease and the certificates, and the same shall become vested in such successor trustee,

and every provision of this Agreement applicable to the Trustee shall apply to such successor trustee with like effect as if originally named herein in the place and stead of the party of the second part. In the event that the Receiver fails to designate such a successor trustee by instrument in writing delivered to the Trustee within two weeks from the time of receiving such notice in writing from the Trustee, the Trustee may thereupon designate such successor trustee. The Receiver will execute all such writings recognizing the transfer of title as aforesaid and all such instruments of further assurance or otherwise as may be requested by the successor trustee in the premises, and will do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the equipment. Every successor trustee shall be a bank or a trust company, doing business in the Borough of Manhattan, City of New York, having a capital and surplus of at least $3,000,000, if there be such bank or trust company willing and able to accept the trust upon reasonable and customary terms and duly qualified to act as such trustee.

ARTICLE SEVENTH.

The obligations of the Receiver under and in respect of this Agreement, the Equipment Lease and the guaranty of the certificates, are the obligations of such Receiver solely as receiver of the property of the Railway Company, and not individually, and shall constitute only the general obligations of the estate of which such Receiver is receiver. The receivership wherein the Receiver is receiver shall not be terminated nor shall the receivership estate be surrendered by the Receiver or his successor or successors, unless, as a condition of such termination or surrender, all of the obligations, then existing or to accrue, of the Receiver under this Agreement, said lease and said guaranty, shall be assumed by the Railway Company, or any other corporation, or any trustee or trustees in bankruptcy that shall succeed to the Receiver in the possession of substantially all of the lines of railroad comprised in the receivership estate, whether upon foreclosure or upon dismissal or termination of the receivership or pursuant to any plan of reorganization under Section 77 of the Bankruptcy Act as amended or otherwise. In case of any sale or conveyance of substantially all of said lines of railroad, the purchaser or transferee of the purchaser shall not be at liberty to refuse to accept this Agreement, said lease or said guaranty, or to disaffirm them, but if acquiring substantially all of said lines of railroad for the purpose of reorganization, any such purchaser shall not incur any personal liability under or in respect to this Agreement, said lease or said guaranty, provided such corporation to which substantially all of said lines of railroad are so transferred in such reorganization shall assume, as a general obligation, the payment of the certificates, principal and dividends, when due, and all obligations of the Receiver under this Agreement, said lease and said guaranty. In case any corporation or any trustee or trustees in bankruptcy prior to the maturity of the certificates shall succeed the Receiver in the possession and operation of substantially all said lines of railroad (whether the Railway Company or any corporation formed for the purpose of reorganization or any other corporation, or any trustee or trustees in bankruptcy appointed to take title to substantially all of said lines of railroad upon the dismissal for any reason of the equity receivership) and shall so assume all the obligations of the Receiver, then existing or to accrue under this Agreement, said

lease and said guaranty, the Receiver shall thereupon be relieved from any further liability under or in respect of this Agreement, said lease and said guaranty.

In the event of such termination, surrender or transfer, the Railway Company, or such other corporation or such trustee or trustees in bankruptcy, as the case may be, acquiring said lines of railroad shall execute and cause to be recorded an instrument or instruments supplemental to this Agreement and to said lease satisfactory to the Trustee, whereby the Railway Company, or such other corporation or such trustee or trustees in bankruptcy, shall so assume the guaranty of the Receiver of the prompt payment of the principal of and dividends upon the certificates, and all other obligations then existing and to accrue of the Receiver under this Agreement, said lease and said guaranty, and thereupon the Railway Company, or such other corporation, or such trustee or trustees in bankruptcy, shall be substituted for the Receiver under this Agreement and under said lease and said guaranty, with the same effect as if named herein as a party hereto and as if named in said lease as a party thereto, and, in any such case, any certificate, guaranty, request, order or other instrument required or permitted to be executed, amd any act required or permitted to be done, by the Receiver, or any officer or agent of the Receiver, may be done with like force amd effect by the duly authorized officers or agents of the Railway Company or other corporation or by said trustee or trustees in bankruptcy or their duly authorized officers or agents, and for all purposes of this Agreement and said lease, a resolution of the Board of Directors or the Executive Committee of the Railway Company or such other corporation shall be deemed to be the equivalent of an order entered in the receivership proceedings authorizing the Receiver to take the action in question.

This Agreement is simultaneously executed in several counterparts each of which shall be deemed to be an original and all collectively to be one and the same instrument.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

The Wisconsin Central Railway Company joins in this Agreement as party of the fourth part, and covenants and agrees that all covenants and agreements herein binding on the Receiver shall be binding likewise on said Wisconsin Central Railway Company in all respects, and that wherever the word "Receiver" appears in this Agreement, the same shall be deemed to include the Wisconsin Central Railway Company, unless the context or express language otherwise requires. All parties hereto covenant and agree that all covenants and agreements on the part of said Wisconsin Central Railway Company and the Receiver as such shall be joint and several.

IN WITNESS WHEREOF, the party of the third part has hereunto set his hand and seal, and the parties of the first, second and fourth parts have caused their corporate names to be signed hereto by their officers thereunto duly authorized, and their corporate seals to be hereto affixed, duly attested as of the day and year first above written.

MINNEAPOLIS, ST. PAUL & SAULT STE.
MARIE RAILWAY COMPANY, as Vendor,

(CORPORATE SEAL)

By ...C.T..JAFFRAY.....
President.

Attest:
P. J. STOCK
Secretary.

Signed, Sealed and Delivered by
Minneapolis, St. Paul & Sault
Ste. Marie Railway Company
in the presence of:
A. M. SHERIDAN
R. E. DAVIES
Attesting Witnesses.

CENTRAL HANOVER BANK AND TRUST COMPANY,
as Trustee,

(CORPORATE SEAL)

By F. Wolfe
Vice President.

Attest:
J. W. HARRIGAN
Assistant Secretary.

Signed, Sealed and Delivered by
Central Hanover Bank and
Trust Company in the presence
of:
G. MARZETTA
HENRY ZEIT
Attesting Witnesses.

E. A. WHITMAN
As Receiver of the property of
Wisconsin Central Railway
Company, but not individually.

Signed, Sealed and Delivered by
E. A. WHITMAN
In the presence of:
W. G. MILLER
A. J. HOPPER
Attesting Witnesses.

WISCONSIN CENTRAL RAILWAY COMPANY,
By G. W. WEBSTER
Vice President.

(CORPORATE SEAL)

Attest:
P. J. STOCK
Secretary.

Signed, Sealed and Delivered by Wisconsin Central Railway Company
in the presence of:
DOROTHY GREEN
EDWIN G. WATTS
Attesting Witnesses.

(Federal Revenue stamps in the amount of $2,500 have been affixed to a counterpart original of this Agreement in possession of Central Hanover Bank and Trust Company, Trustee and duly cancelled.)

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

I, C. W. Arine, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofsof deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on this 8 day of June, 1937, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed to the within and foregoing instrument, the within named C. T, Jaffray and P. J. Stock, each to me personally known and known to me to be, respectively, the President and the Secretary of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said C. T. Jaffray and P. J. Stock, being by me severally duly sworn, did on oath, each for himself and not for the other severally depose and say and acknowledge in the presence of said witnesses that the said C. T. Jaffray resides in the City of Minneapolis, in the State of Minnesota, and that said P. J. Stock resides in the City of Minneapolis, in the State of Minnesota; that said C. T. Jaffray is President and said P. J. Stock is Secretary of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, said C. T. Jaffray, President, and P. J. Stock, Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to and executed the foregoing instrument in their respective capacities as the President and the Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Hennepin, State of Minnesota, this the day and year in this my certificate first above written.

C. W. ARINE
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

My Commission expires
(Notarial Seal)

STATE OF NEW YORK)
)SS.
COUNTY OF NEW YORK)

BE IT REMEMBERED, that I E. F. RYAN, a Notary Public in and for the County and State aforesaid, do certify that on the 11th day of June, in the year 1937, to me known, whose name is signed to and who executed the foregoing writing and instrument between Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Central Hanover Bank and Trust Company, Trustee, E. A. Whitman, Receiver, and Wisconsin Central Railway Company, bearing date as of the first day of January, 1937, personally came and appeared before me in my said County, and said F. Wolfe being by me duly sworn did depose and say that he resides in Merrick, N. Y. and is a Vice President of Central Hanover Bank and Trust Company, one of the Corporations described in and which executed said writing and instrument, authorized by said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the sale of said corporation and that the seal affixed to said writing and said instrument is such corporate seal of such corporation; that is was so affixed by order of the Board of Trustees of said corporation, and that he signed his name thereon by like order, and that said writing was signed and sealed by him on behalf of said corporation, by its order duly given, and he duly acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein expressed and mentioned. And the said F. Wolfe acknowledged said writing before me in my County aforesaid to be the act and deed of said corporation.

Given under, and in witness whereof I have hereunto set my hand and official seal this 11th day of June, 1937. And I do further certify that my commission as Notary Public will expire on the 30th day of March, 1938.

E. F. RYAN
Notary Public

(Notarial Seal)

E. F. RYAN
Notary Public, Queens Co.No. 3163, Reg. No. 3361
Cert. filed in N. Y. Co. No. 748, Reg. No. 8R518
Commission Expires March 30, 1938.

STATE OF MINNESOTA)
)SS.
COUNTY OF HENNEPIN,)

I, C. W. Arine, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 8 day of June, 1937, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within names E. A. Whitman, Receiver of the property of Wisconsin Central Railway Company, to me personally known, and known to me to be the individual described in and the identical person who subscribed his name to and who executed the within and foregoing instrument in writing as such Receiver in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said E. A. Whitman duly acknowledged to me in the presence of said witnesses that he signed, sealed, executed and delivered said instrument as

his free and voluntary act and deed as such Receiver, for the consideration, objects, uses and purposes therein stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Hennepin, State of Minnesota, this the day and year in this my certificate first above written.

My Commission expires

(Notarial Seal)

C. W. ARINE
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

STATE OF MINNESOTA)
)SS.
COUNTY OF HENNEPIN)

I, C. W. Arine, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on this 8 day of June, 1937, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed to the within and foregoing instrument, the within named G. W. Webster and P. J. Stock each to me personally known and known to me to be, respectively, a Vice President and the Secretary of Wisconsin Central Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said G. W. Webster and P. J. Stock, being by me severally duly sworn, did on oath, each for himself and not for the other severally depose and say and acknowledge in the presence of said witnesses that the said G. W. Webster resides in the City of Minneapolis, in the State of Minnesota, and that said P. J. Stock resides in the City of Minneapolis, in the State of Minnesota; that said G. W. Webster is a Vice President and said P. J. Stock is the Secretary of Wisconsin Central Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, said G. W. Webster, Vice President, and P. J. Stock, Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to and executed the foregoing instrument in their respective capacities as the Vice President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Hennepin, State of Minnesota, this the day and year in this my cer tificate first above written.

(Notarial)
(Seal)

C. W. ARINE
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

WISCONSIN CENTRAL RAILWAY
EQUIPMENT TRUST
SERIES B

LEASE
BETWEEN
CENTRAL HANOVER BANK AND TRUST
COMPANY, Trustee,
AND
E. A. WHITMAN,
RECEIVER OF THE PROPERTY OF
WISCONSIN CENTRAL RAILWAY COMPANY
AND
WISCONSIN CENTRAL RAILWAY COMPANY

Dated as of January 1, 1937.

LEASE OF RAILWAY EQUIPMENT dated as of January 1, 1937, between CENTRAL HANOVER BANK AND TRUST COMPANY, a corporation created and existing under the laws of the State of New York, having its principal office at No. 70 Broadway, in the Borough of Manhattan, City and State of New York, as Trustee under the Agreement dated as of January 1, 1937, hereinbelow more fully described (hereinafter called "Trustee"), of the first part, and E. A. Whitman, Receiver of the property of Wisconsin Central Railway Company (hereinafter called "Receiver"), of the second part, and WISCONSIN CENTRAL RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called "Railway Company"), of the third part:

WHEREAS, E A. Whitman has been duly appointed Receiver of the property of Wisconsin Central Railway Company by an order dated June 3, 1936, of the District Court of the United States for the District of Minnesota, Fourth Division, in a proceeding pending in said Court entitled "Northwestern Fire & Marine Insurance Company, Plaintiff, against Wisconsin Central Railway Company, Defendant," in Equity No. 2581, and said E. A. Whitman is duly qualified and is now acting as Receiver of said Railway Company; and

WHEREAS, by order of said court dated the 14th day of April, 1937, the Receiver was authorized and empowered to enter into this Equipment Lease and to make and carry out the covenants and agreements on his part herein contained.

WHEREAS, by a certain Agreement (hereinafter called the "Trust Agreement") dated as of January 1, 1937, between Minneapolis, St. Paul & Sault Ste. Marie Railway Company, as Vendor, Central Hanover Bank and Trust Company, as Trustee and E. A. Whitman, Receiver of the property of Wisconsin Central Railway Company, and Wisconsin Central Railway Company, a corporation, to a counterpart original whereof this Lease is annexed and made a part thereof, there was constituted

"Wisconsin Central Railway Equipment Trust, Series B," and it was agreed that the railway equipment which said Vendor transfers or causes to be transferred to the Trustee thereunder is to be leased to the Receiver; and

WHEREAS, pursuant to the provisions of the Trust Agreement, the railway equipment described in the inventory hereto attached has been or will be transferred to the Trustee thereunder, and the title to said railway equipment vested in the Trustee;

NOW, THEREFORE, in consideration of One Dollar to the Trustee in hand paid by the Receiver, the receipt whereof is hereby acknowledged, and in further consideration of the covenants and promises herein contained, and in pursuance of the Trust Agreement, the parties hereto agree as follows:

1. The Trustee agrees that upon acquiring title pursuant to the Trust Agreement, to any and all of the rolling stock described in the inventory hereto attached, the Trustee, as owner thereof, will deliver such rolling stock to the Receiver as lessee under this indenture, and the Receiver agrees to receive such rolling stock as such lessee.

2. The Trustee hereby agrees to lease, and by these presents does lease, to the Receiver, from the date of the delivery thereof by the Trustee to the Receiver, all of said rolling stock (hereinafter termed the "leased equipment"), at the rental and upon the terms and conditions hereinafter set forth. The leased equipment shall be deemed to have been delivered to, and passed into the possession of, the Receiver as of January 1, 1937, the date hereof, although delivery thereof, in writing, may, in fact, be subsequently made to the Trustee.

Upon condition that the Receiver shall make all the payments of rental herein agreed by it to be made to the Trustee as set forth in Article 3 hereof, the Trustee further agrees with the Receiver (1) that when fully completed, but not before, such payments shall be applied and shall be treated as purchase money and as the full purchase price of the leased equipment; (2) that when the said payments shall have been made in full and the terms of this lease shall have been fully performed on his part by the Receiver, then and not before, the title to all of the leased equipment and to all replacements thereof made hereunder shall vest in the Receiver; (3) that thereupon the Trustee will execute for record in public offices such instrument or instruments in writing as reasonably shall be requested by the Receiver in order to make clear upon the public records the title of the Receiver to all of the leased equipment and replacements thereof, under the laws of any jurisdiction.

The Trustee is not to be held liable on any warranty of title or quality, express or implied, and acceptance by the Receiver of delivery of any of the leased equipment or any replacements thereof, under the terms of this lease, shall operate ipso facto as a conclusive acknowledgment on the part of the Receiver that he is satisfied with the quality of said equipment thus delivered to him and with the Trustee's title thereto.

3. The Receiver hereby agrees to accept, and hereby does accept, the lease of the leased equipment made to him by the Trustee as set forth in Article 2 of this lease, and covenants with the trustee that he will pay to the Trustee, as rental for the use of the leased equipment and any and all replacements thereof during the term and pursuant to the provisions hereof, sums sufficient to discharge

and pay the following when as as the same shall become payable, viz.:

A. As provided in the Trust Agreement the Receiver shall pay to the Trustee, as advance rental under this lease $862,130.22 in cash.

B. In addition to such advance rental, the Receiver shall pay to or for the account of the Trustee, from time to time as below provided, as rental for the leased equipment and replacements, the following:

(1) Amounts sufficient to reimburse the expenses and pay a reasonable compensation to the Trustee in the administration of its Trust under the Trust Agreement, and under this lease, and any other sums payable by the Receiver under the Trust Agreement; such amounts to be paid from time to time upon request of the Trustee;

(2) Amounts sufficient to pay and discharge any and all taxes, assessments or other governmental charges (other than any income tax) upon the property of the trust under the Trust Agreement, which the Trustee may be required to pay, or which by law may be deductible from the par value of the share certificates issued under the Trust Agreement, or from the dividends on said share certificates; payments of such amounts to be made to the Trustee from time to time and at such times as shall enable the Trustee to pay or discharge any such taxes or assessments or other governmental charges when and as the same severally shall become payable.

The Receiver shall not be required, however, to pay any tax, assessment or other governmental charge so long as the Receiver shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee the rights or interests of the Trustee or of share certificate holders may be materially endangered.

All rentals payable hereunder shall be payable at the principal office of the Trustee in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

(3) On the first day of July, 1937, and on the first day of January, and of July in each year thereafter, until and including the first day of January, 1947, an amount which shall be equal to the semi-annual dividend of 3 1/2% (payable on each of said dates respectively) of the par value of the said share certificates at the time outstanding.

(4) On the first day of July, 1937, and on the first day of January and of July in each year thereafter, until and including the first day of January, 1947, the aggregate par value of the said share certificates then outstanding payable according to their terms on each of said respective dates.

4. Until he shall have fulfilled all his obligations under this lease, the Receiver, at his own cost and with due diligence and as promptly as may be practicable under the circumstances, shall and will maintain and keep any and all of the leased equipment (and, as well, any equipment substituted therefor as in this Article provided) in good order and proper repair and will replace any and all of the same that may have been lost to him or may have been wholly or partly destroyed by accident or otherwise, with other rolling stock of equal value, title

authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on this 8 day of June, 1937, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed to the within and foregoing instrument, the within named G. W. Webster and P. J. Stock, each to me personally known and known to me to be, respectively, a Vice President and the Secretary of Wisconsin Central Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said G. W. Webster, and P. J. Stock, being by me severally duly sworn, did on oath, each for himself and not for the other severally depose and say and acknowledge in the presence of said witnesses that the said G. W, Webster resides in the City of Minneapolis, in the State of Minnesota, and that said P. J. Stock resides in the City of Minneapolis, in the State of Minnesota; that said G. W. Webster is a Vice President and said P. J. Stock is the Secretary of Wisconsin Central Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, said G. W. Webster, Vice President, and P. J. Stock, Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to and executed the foregoing instrument in their respective capacities as Vice President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Hennepin, State of Minnesota, this the day and year in this my certificate first above written.

My commission expires

(NOTARIAL)
(SEAL)

C. W. ARINE

Notary Public Hennepin County, Minn.

My Commission Expires Jan. 12, 1939

INVENTORY OF EQUIPMENT REFERRED TO IN FOREGOING LEASE

Classes and serial numbers			Soo trust series or builder	When built	Number of units
STEAM LOCOMOTIVES					
	4,004 to	4,009	Amer. Loco	1926	6
	4,010 to	4,017	"O"	1928	8
	4,018 to	4,020	Soo Line	1930	3
FREIGHT-TRAIN CARS					
* Box.....	132,100 to	133,398	"J"	1921	645
* Box.....	133,400 to	134,398	"K"	1923	495
* Box.....	134,400 to	135,398	"M"	1926	498
* Box.....	135,400 to	135,798	S.S. Car Corp.	1930	199
/ Gondola.....	64,801 to	64,999	"M"	1926	100
PASSENGER-TRAIN CARS					
Baggage.....	1,627 to	1,630	"K"	1923	4
Baggage-Mail.....		1,516	"K"	1923	1
Baggage-Smoker.....	1,350 to	1,353	"O"	1928	4
ORE CARS.....	80,000 to	80,668	.....	1910-13	638
			Total number of units.....		2,601

*Even Numbers only. /Odd numbers only.

Note. The following box and ore cars of the several series indicated above were retired prior to January 1, 1937:

	Totals
BOX CARS:	
Series 132,100 to 133,398	
132,410, 132,532, 132,668, 132,812, 132,996.....	5
Series 133,400 to 134,398	
133,602, 133,696, 133,720, 133,784, 134,218.....	5
Series 134,400 to 135,398	
134,976, 134,992.....	2
Series 135,400 to 135,798	
135,584.....	1
ORE CARS:	
Series 80,000 to 80,668	
80,001, 80,016, 80,018, 80,020, 80,021, 80,027, 80,028, 80,034, 80,041, 80,044, 80,060, 80,062, 80,063, 80,064, 80,107, 80,146, 80,219, 80,240, 80,265, 80,304, 80,313, 80,340, 80,394, 80,406, 80,427, 80,457, 80,463, 80,477, 80,522, 80,609, 80,622.....	31

State of Wisconsin)
) SS.
Department of State)

Received this 17th day of June A. D. 1937, at 11 o'clock A. M. and recorded in Vol. 33 of R. R. Mtgs. Etc. on page 134-167, Incl.

Robert L. Siebecker
Assistant Secretary of State

"CERTIFICATE OF SATISFACTION"
Dated June 10, 1937,
Releasing the Chicago and North Western Railway Company
And
Charles P. Megan, Trustee of its property,
From
Obligations under agreement with Thomas A. Edison, Incorporated,
Dated March 11, 1935.

CERTIFICATE OF SATISFACTION

The undersigned, THOMAS A. EDISON, INCORPORATED, a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey, does hereby certify that CHICAGO AND NORTHWESTERN RAILWAY COMPANY, a corporation having its principal office in Chicago, Illinois, and CHARLES P. MEGAN, Trustee of its property, have fully fulfilled and performed all obligations to be fulfilled or performed on the part of said railway company under a certain conditional sales agreement between the said THOMAS A EDISON, INCORPORATED and the said railway company, dated March 11, 1935, relating to the furnishing by the said THOMAS A. EDISON, INCORPORATED, of 12 sets of EDISON-NICKEL-IRON-ALKALINE STORAGE BATTERIES of 50 cells each, the said agreement dated March 11, 1935 having been filed in the following offices on or about the respective dates shown opposite the names of such offices:

Secretary of State, Pierre, South Dakota	- July 5, 1935;
Secretary of State, Lincoln, Nebraska	- July 3, 1935;
Secretary of State, St. Paul, Minnesota	- July 9, 1935;
Secretary of State, Springfield, Illinois	- July 5, 1935;
Secretary of State, Madison, Wisconsin	- July 15, 1935;
Secretary of State, Lansing, Michigan	- July 3, 1935;
Secretary of State, Cheyenne, Wyoming	- July 9, 1935;
Secretary of State, Des Moines, Iowa	- July 3, 1935;
Secretary of State, Bismarck, North Dakota	- July 3, 1935; and
Register of Deeds, Winona County, Winona, Minnesota	- July 3, 1935;

and that the undersigned has received full satisfaction and payment under the said agreement.

The said Charles P. Megan, Trustee, is hereby authorized and requested to file this instrument discharging and releasing the said CHICAGO AND NORTHWESTERN RAILWAY COMPANY and CHARLES P. MEGAN, Trustee of its property, from all obligations thereunder.

IN CONSIDERATION of the aforesaid performance the undersigned hereby transfers and conveys to the said CHARLES P MEGAN, as Trustee of the property of CHICAGO AND NORTHWESTERN RAILWAY COMPANY, all right, title and interest in and to the aforesaid batteries.

IN WITNESS WHEREOF, THOMAS A EDISON, INCORPORATED, has caused this instrument to be executed in its behalf and its corporate seal to be hereunto annexed by its officers duly authorized thereunto on this 10th day of June, 1937.

THOMAS A. EDISON, INCORPORATED
(CORPORATE SEAL) By C. S. Williams
Executive Vice-President

Attest:
By Fred W. Roh
Assistant Secretary

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
: S.S.:
COUNTY OF ESSEX)

Personally came before me, this 11th day of June, A. D., 1937, C. S. Williams, Executive Vice-President, and Fred W. Roh, Assistant Secretary of the above named corporation, to me known to be the persons who executed the foregoing instrument, and to me known to be such Executive Vice-President and Assistant Secretary of said corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of said corporation, by its authority.

William L. Ramage
Notary Public of the State of
New Jersey
My commission expires February 24, 1942

(Notarial Seal)

William L. Ramage
Notary Public of the
State of New Jersey
Comm. Expires Feb'y 24, 1942

CCXX
STATE OF NEW JERSEY)
)SS
COUNTY OF ESSEX)
(COUNTY SEAL)

I, Russell C. Gates, Clerk of the County of Essex (and also Clerk of the Circuit Court and Court of Common Pleas, the same being Courts of Record of the aforesaid County, having by law a seal.)
DO HEREBY CERTIFY, That William L. Ramage, Esquire, whose name is subscribed to the attached certificate of acknowledgment, proof or affidavit, was at the time of taking such acknowledgment, proof or affidavit, a NOTARY PUBLIC, duly commissioned and sworn and residing in said State, and was, as such NOTARY PUBLIC, an officer of said State duly authorized by the laws thereof to take and certify the same, as well as to take and certify the proof and acknowledgment of deeds for the conveyance of land, tenements or hereditaments, and other instruments in writing to be recorded in said State, and that the said acknowledgment is duly executed and taken according to the laws of said State, and that full faith and credit are and ought to be given to his official acts; and I further certify that I am well acquainted with his handwriting and verily believe the signature to the attached certificate is his genuine signature.
And I do further certify that the impression of the seal of such NOTARY PUBLIC is not required by the laws of this State to be filed in my office

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 11 day of June A. D., 1937

RUSSELL C GATES .....Clerk.

State of Wisconsin)
DEPARTMENT OF STATE) SS.

Received this 6th day of
July A. D. 1937 at 11:30
o'clock A.M. and recorded in Vol.
33 of R. R. Mtges. Etc.
on page 168 - 170, Inclusive.

Robert L. Siebecker
Assistant Secretary of State.

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SUPPLEMENTARY AGREEMENT TO AGREEMENT
Between VICTOR P. NELSON, Vendor
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee
And DULUTH, MISSABE AND NORTHERN RAILWAY COMPANY OF MINNESOTA
Dated March 1, 1937
By the DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY
Dated July 1, 1937.

****

WHEREAS, an Agreement was entered into between Victor P. Nelson, Vendor, Continental Illinois National Bank and Trust Company of Chicago, Trustee, and Duluth, Missabe and Northern Railway Company, a Minnesota corporation, providing for the issuance of $3,780,000 par value of 2½% Equipment Trust Certificates by the said Trustee, and in and by said Agreement the said Railway Company, among other things, guaranteed the payment of the principal of such Certificates and of the dividends thereon; and the said Continental Illinois National Bank and Trust Company of Chicago, as Trustee, entered into a Lease providing for the leasing to the said Railway Company of the railroad equipment described in said Agreement, both said Agreement and said Lease having been dated as of March 1, 1937, and having been approved and authorized by the Interstate Commerce Commission by its order duly entered on March 5, 1937, in proceedings then pending before said Commission known as Finance Docket No. 11550; and whereas, said Agreement and Lease have been heretofore duly filed for record in the offices of the Secretary of State of Minnesota, the Secretary of State of Wisconsin, and the Register of Deeds of St. Louis County, Minnesota; and

WHEREAS, on May 18, 1937, the said Duluth, Missabe and Northern Railway Company entered into a Certificate of Consolidation with Spirit Lake Transfer Railway Company, a Minnesota corporation, for the consolidation of the said two Railway Companies into a new corporation known as Duluth, Missabe and Iron Range Railway Company, which consolidation was approved and authorized by said Interstate Commerce Commission by its order dated June 24, 1937, entered in the proceedings known as Finance Docket No. 11669; and which said consolidation became effective on July 1, 1937, upon the filing of the said Certificate of Consolidation in the office of the Secretary of State of Minnesota, as provided by law; and

WHEREAS, said consolidation was effected pursuant to the provisions of Sections 7506 to 7511, both inclusive, of Mason's Minnesota Statutes, 1927, and in and by Section 7509 of said Statutes it is provided that "such (new) corporation shall succeed to all the rights, powers, franchises, contracts, privileges, and immunities, and be subject to the same duties, liabilities, and obligations in all respects as were granted to or imposed upon the original corporations; but all rights of creditors and all liens upon the property of either of the consolidating corporations shall be preserved unimpaired, and all the debts, liabilities, and duties of either shall thenceforth attach to the new corporation, and be enforceable to the same extent and in the same manner as if such debts, liabilities and duties had been originally incurred by it"; and

WHEREAS, by an order duly entered on June 28, 1937, the said Interstate Commerce Commission, pursuant to application duly made therefor in proceedings known as Finance Docket No. 11674, authorized the said consolidated corporation, Duluth, Missabe and Iron Range Railway Company, to assume obligations and liability in respect of the said Equipment Trust Certificates above mentioned, and as required by said order last referred to the said consolidated corporation has heretofore filed with said Interstate Commerce Commission its petition adopting as its own the application theretofore filed in said Finance Docket No. 11674 by said Duluth, Missabe and

~~and~~ Northern Railway Company and said Spirit Lake Transfer Railway Company, and the said Commission has acknowledged the receipt and sufficiency of said adopting petition by letter dated July 6, 1937;

NOW THEREFORE, in consideration of Victor P. Nelson, as Vendor, and Continental Illinois National Bank and Trust Company of Chicago, as Trustee, under the aforesaid Agreement of March 1, 1937, accepting and dealing with the undersigned as successor to said Duluth, Missabe and Northern Railway Company under said Agreement and permitting the undersigned to exercise the rights and obtain the equipment in said Agreement referred to on the same terms and conditions as said Duluth, Missabe and Northern Railway Company might have done; and in consideration of said Continental Illinois National Bank and Trust Company of Chicago, as such Trustee, Lessor under the aforesaid Lease of March 1, 1937, accepting the undersigned as and permitting it to exercise all the rights and privileges of Lessee thereunder, and for other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, and pursuant to the authority granted to it as aforesaid and in accordance with the Statutes above mentioned, the Duluth, Missabe and Iron Range Railway Company does hereby covenant and agree to and with the said Victor P. Nelson, said Continental Illinois National Bank and Trust Company of Chicago, as such Trustee, and the owners and holders of said Equipment Trust Certificates and the dividend warrants thereon, now or hereafter issued under said Agreement, herein referred to and dated as of March 1, 1937, and with the successors and assigns of each of said parties, as follows:

1. That it does hereby adopt said Agreement and said Lease, both dated as of March 1, 1937, and that it does hereby assume, undertake and agree to keep, observe and perform each and every term, condition, covenant, obligation and agreement of the said Duluth, Missabe and Northern Railway Company under said Agreement and under said Lease;

2. That the terms, conditions, covenants and agreements of the said Duluth, Missabe and Northern Railway Company in said Agreement and in said Lease shall be binding upon the said Duluth, Missabe and Iron Range Railway Company with like effect as though said Duluth, Missabe and Iron Range Railway Company has been named in and had executed said Agreement and said Lease in the first instance as a party thereto instead of said Duluth, Missabe and Northern Railway Company.

And said Duluth, Missabe and Iron Range Railway Company hereby unconditionally guarantees to the bearer or registered owner of any such Equipment Trust Certificate, or dividend warrant, provided to be issued as in said Agreement set forth, the prompt payment thereof in accordance with their terms.

IN WITNESS WHEREOF, the said Duluth, Missabe and Iron Range Railway Company has caused this instrument to be executed in sextuplicate by its President and Secretary, thereunto duly authorized by its Board of Directors at a meeting duly called and held on July 22, 1937, and its corporate seal to be hereunto affixed at Duluth, Minnesota, as of the first day of July, 1937.

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY,

Signed, Sealed and Delivered
in the Presence of

By C. E. CARLSON
President

(CORPORATE SEAL)

Attest: J. W. KEMPTON
Secretary

HAROLD A. MAHER
RUTH K. HOLT

STATE OF MINNESOTA,)
County of St. Louis.) SS.

On this 22nd day of July, 1937, before me, a Notary Public within and for said County and State, personally appeared C. E. CARLSON and J. W. KEMPTON, to me personally known, who, being each by me duly sworn, did say that they are respectively the President and the Secretary of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, a corporation existing under the laws of the State of Minnesota; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. E. Carlson and J. W. Kempton acknowledged said instrument to be the free act and deed of said corporation.

Harold A. Maher
(HAROLD A. MAHER) Notary Public,
St. Louis County, Minnesota.
My Commission expires March 27, 1938.

(Notarial Seal)

State of Wisconsin,)
Department of State) SS.

Received this 11th day of
August A.D. 1937 at 2:30 P.M.
o'clock and recorded in Vol.
33 of R. R. Mtgs. on page
171 - 174, Inclusive.

Theodore Dammann
Secretary of State

STATE OF MINNESOTA
DEPARTMENT OF STATE

I hereby certify that the within instrument was filed for record in this office on the 2nd day of August A.D. 1937, at 4 o'clock P.M. and was duly recorded in Book 21 of Railroad Records, on page 41.

Mike Holm
Secretary of State

OFFICE OF REGISTER OF DEEDS
STATE OF MINNESOTA)
) SS
County of St. Louis)

I hereby certify that the within instrument was filed in this office for record August 10, 1937 at 10:30 A.M. and was only entered in Book of Leases, Conditional Sales, etc. Page 373

CHAS CALLIGAN
REGISTER OF DEEDS

By Marie Piering
DEPUTY

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

I hereby certify that I have compared the within Instrument with the original Instrument No. 74121 now on file in my office and that it is a true and correct copy

of the same and of the whole thereof, and that the above is a true copy of the filing thereof.

Dated August 10, 1937

Chas Calligan
Register of Deeds

(Register of Deeds Seal)

By Marie Piering
Deputy

PENNSYLVANIA RAILROAD GENERAL EQUIPMENT
TRUST, SERIES B

LEASE OF RAILROAD EQUIPMENT
Dated April 1, 1924

FIDELITY TRUST COMPANY

To

THE PENNSYLVANIA RAILROAD COMPANY

AGREEMENT
Dated April 1, 1924

HARRY J. MOORE
and
JOSIAH B. BARTOW, Vendors
With

FIDELITY TRUST COMPANY
and

THE PENNSYLVANIA RAILROAD COMPANY

LEASE OF RAILROAD EQUIPMENT, dated the first day of April, 1924, between FIDELITY TRUST COMPANY, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and THE PENNSYLVANIA RAILROAD COMPANY, a corporation duly organized and existing under the laws of the said Commonwealth (hereinafter called the Company), party of the second part:

WHEREAS, by certain Agreement, bearing date the first day of April, 1924, between Harry J. Moore and Josiah B. Bartow, Vendors, said Fidelity Trust Company, as Trustee, and The Pennsylvania Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Pennsylvania Railroad General Equipment Trust, Series B," under which the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of said Agreement, for and in consideration as well of the sum of one dollar to it paid by the Company at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company all the railroad equipment of the Pennsylvania Railroad General Equipment Trust, Series B (hereinafter collectively called the Trust Equipment), to wit:

8000 Box Cars, Class X-29; Pressed Steel Car Co., American Car & Foundry Co., The Pullman Co., and Bethlehem Steel Co., Builders; Numbered 566091-574090, both inclusive.

3000 Automobile Cars, Class X-28; Newport News Shipbuilding and Dry Dock Co. and Standard Steel Car Co., Builders; Numbered 28100-30999; 37000-37099, all numbers inclusive.

1000 Stock Cars, Class K-8; General American Car Co. and Illinois Car & Manufacturing Co., Builders; Numbered 128079-129078, both inclusive.

Together with such other or additional railroad equipment as shall be acquired for said trust and subjected to this Lease as hereinafter provided.

The estimated cost of the railroad equipment above specifically described, ~~when described~~, when completed, has been certified to the Trustee to be approximately $25,325,000.

In case the actual cost of said equipment specifically described shall not amount to at least said sum, then in addition to said equipment above specifically described, there may be acquired by the Vendors and subjected to this Lease (subject, however, to the provisions of Section 5 of Article I of said Agreement) other new railroad equipment, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least said sum; and the Trustee shall execute to the Company a supplemental lease thereof, describing the same, upon and subject to the terms and conditions hereof and of said Agreement, and such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Company, and shall upon such delivery to the Company ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of this Lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

FIRST. The Company hereby accepts (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment

as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee or its assigns (or in the case of taxes to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, as and when any of the Trust Equipment shall be delivered to the Company, amounts in cash equal to the difference between the cost of the Trust Equipment so delivered, as certified to the Trustee by the President or a Vice-President, or the Treasurer or an Assistant Treasurer of the Company, and the principal amount of Trust Certificates issuable in respect thereof as provided in Section 2 of Article I of said Agreement, provided that the aggregate of all amounts so paid to the Trustee shall never be less than 20 per cent. of the cost of all the Trust Equipment which shall then and theretofore have been delivered hereunder.

(b) The necessary and reasonable expenses of the trust, including all expenses connected with the Trust Equipment and this Lease thereof.

(c) Any and all taxes, assessments and other governmental charges upon the income or property of the trust, or the agreements evidencing the same, which the Trustee under said Agreement may be required to pay, and any and all taxes, assessments and other governmental charges (other than Federal income taxes) which the Company or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

(d) The dividend warrants attached to the Trust Certificates when and as the same shall become payable.

(e) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof, to wit:

April 1, 1925	$1,340,000
April 1, 1926	1,340,000
April 1, 1927	1,340,000
April 1, 1928	1,340,000
April 1, 1929	1,340,000
April 1, 1930	1,340,000
April 1, 1931	1,340,000
April 1, 1932	1,340,000
April 1, 1933	1,340,000
April 1, 1934	1,340,000
April 1, 1935	1,340,000
April 1, 1936	1,340,000
April 1, 1937	1,340,000
April 1, 1938	1,340,000
April 1, 1939	1,340,000

The Company shall not be required, however, to pay any tax, assessment or other governmental charge so long as the Company shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered; provided that nothing herein shall qualify or affect the right of the Trust Certificate holders to receive full and punctual payment of both dividends and principal without deduction for such taxes, assessments or other governmental charges (other than Federal income taxes).

SECOND. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet, discharge and cancel all the interests in said Pennsylvania Railroad General Equipment Trust, Series B, created in respect of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of this Lease and after all such payments shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Company simultaneously with or after the execution hereof, shall be assigned and transferred by the Trustee to the Company or its nominee or nominees, and shall be and become the absolute property of the Company or its nominee or nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company.

THIRD. Upon the written request of the Company, stating that the use of any of the Trust Equipment is no longer required by the Company, evidenced by a resolution of its Board of Directors, the Trustee may, while the Company is not in default hereunder, execute and deliver a bill of sale assigning and transferring to the purchaser named by the Company the absolute title to any of the Trust Equipment; provided, however, that none of the Trust Equipment shall be so assigned or transferred, unless simultaneously the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Company a sum in cash equal to the difference, if any, between said purchase price and the original cost to the Vendors of the equipment so assigned and transferred. The sums so paid to the Trustee shall be held by it for the equal and proportionate benefit of the holders of the Trust Certificates and dividend warrants, until paid out by the Trustee upon the written request of the Company for the purchase by the Trustee from the manufacturers, of new railroad rolling stock, free from liens, and upon the delivery of such new equipment to the Trustee accompanied by a bill or bills of sale, an opinion of counsel and a certificate as to delivery and cost in like manner as is provided in Section 5 of Article I of said Agreement. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all of the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Company and the Trustee shall execute a supplemental lease thereof, describing the same, upon and subject to all the terms and

conditions hereof. The term "Trust Equipment", wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

FOURTH. At or before the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case in letters not less than one inch in height:

"Pennsylvania Railroad General Equipment Trust, Series B. Fidelity Trust Company, Trustee, Owner."

Such plate or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of the Trust Equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored or replaced. The Company will not change, or permit to be changed, the numbers upon any of the Trust Equipment (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which shall previously have been filed with the Trustee by the Company.

The Trust Equipment may be lettered "The Pennsylvania Railroad Company," "Pennsylvania", "P. R. R.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein; but the Company, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FIFTH. (a) The Company, during the continuance of this Lease, will maintain and keep all of the Trust Equipment in good order and repair, at its own proper cost and charge, and will replace, at its own cost, any of the Trust Equipment that may be worn out, lost or destroyed, by new railroad rolling stock of equal value, the value of the new rolling stock to be figured at cost if that be below market value, or at market value if that be below cost. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Company shall deliver to the Trustee a certificate of the President or a Vice-President, or the Treasurer or an Assistant Treasurer of the Company stating the value of the Trust Equipment so worn out, lost or destroyed and the cost and the reasonable market value of such replacement.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this Lease, an accurate statement of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost or destroyed by accident or otherwise, and the number of units of Trust Equipment repaired during the previous year. Together with said statement the Company shall also furnish to the Trustee a statement

signed by its Chief of Motive Power or an Assistant Chief of Motive Power, stating that in the case of all of the Trust Equipment repainted during the preceding year, the marks required by Article Fourth hereof have been preserved, or that the same when repainted has been again marked as required by said Article. And the Trustee shall have the right, by its agents, to inspect the Trust Equipment once in every year during the continuance of this Lease.

(c) The Company covenants and agrees to indemnify and protect the Trustee in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SIXTH. The Company, so long as it shall not be in default under this Lease, sha ll be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned or operated by it under lease or otherwise, or over which it has trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned by the Company, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Company, but only upon and subject to all the terms and conditions of this Lease.

The Company will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. A transfer through insolvency or under judicial process shall be deemed a breach of this covenant. The Trustee shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of this Lease or transfer or sublease of the Trust Equipment. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SEVENTH. In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of its rights or interest in, or any unauthorized sublease of, the Trust Equipment, and shall fail or refuse either to cause such assignment

or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the original cost of the Trust Equipment so assigned or transferred or sub-leased as certified to the Trustee by the President or a Vice-President or the Treasurer or an Assistant Treasurer of the Company (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Company of such Trust Equipment), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance.

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee may by its agents, enter upon the railroads and premises of the Company and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as may be necessary to perform and fulfil the trusts under said Agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company; and no payments theretofore made by the Company for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Pennsylvania Railroad General Equipment Trust, Series B; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Company for rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sum shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b), (c), (d), and (e) of

Article First hereof, whether they shall have then matured or not.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company will, at its own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or ~~be~~ be drawn to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad or premises of the Company until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

EIGHTH. This Lease may be simultaneously executed in fifteen counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused these presents to be signed in their names by their respective presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

Signed, sealed, acknowledged and delivered in the presence of:

As to Fidelity Trust Company:

A. W. Porter

John H. Wood

As to The Pennsylvania Railroad Company:

J. S. Hebden

H. L. Heinzeroth

FIDELITY TRUST COMPANY,

By

W. G. Littleton

(Seal) Vice-President.

Attest:

H. W. Woodward

Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,

By

H. Tatnall

(Seal) Vice-President.

Attest:

J. Taney Willcox

Assistant Secretary.

COMMONWEALTH OF PENNSYLVANIA)
CITY AND COUNTY OF PHILADELPHIA) (ss.

I, N. Spering, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 6, 1924, before me the subscriber, a Notary Public as aforesaid, personally appeared W. G. Littleton, Vice President of Fidelity Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 1, 1924, whose name is signed thereto, and the said W. G. Littleton, to me personally known, being by me duly affirmed, did depose and say that he is the Vice President of the said Fidelity Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed and sealed by him as Vice President in behalf of the said corporation by its authority, duly given, and by ~~the~~ authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free act and deed of the said Fidelity Trust Company.

Affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

W. G. Littleton

I am not a stockholder, director or officer of said Trust Company.

N. Spering

(Notarial Seal) Notary Public.

My Commission Expires April 1, 1927.

COMMONWEALTH OF PENNSYLVANIA)
CITY AND COUNTY OF PHILADELPHIA) (SS.

I, N. Spering, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 6, 1924, before me the subscriber, a Notary Public as aforesaid, personally appeared H. Tatnall, Vice President of The Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 1, 1924, whose name is signed thereto, and the said H. Tatnall, to me personally known, being by me duly affirmed, did depose and say that he is the Vice President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed and sealed by him as Vice President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free act and deed of said The Pennsylvania Railroad Company.

Affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

N. Spering

(Notarial Seal) Notary Public.

My Commission Expires April 1, 1927.

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA,)
)
COUNTY OF PHILADELPHIA, ss)

I, Wm. J. Kerns, Acting Prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following Certificate, **do Certify**, That N. Spering Esquire, before whom the annexed affidavit was made, was at the time of so doing a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County of Philadelphia, duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature, as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe his signature thereto is genuine, and that said oath or affirmation purports to be taken in all respects as required by the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court, this 23rd day of May in the year of our Lord one thousand nine hundred and twenty-four (1924).

(Court of Common)
(Pleas Seal)

Wm. J. Kerns
Acting Prothonotary.

This Agreement, dated the first day of April, 1924, by and between Harry J. Moore and Josiah B. Bartow (hereinafter called the Vendors), of the first part, FIDELITY TRUST COMPANY, of Philadelphia, Pennsylvania (hereinafter called the Trustee), of the second part, and THE PENNSYLVANIA RAILROAD COMPANY (hereinafter called the Company), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted or will contract to acquire the railroad equipment specifically described in the form of Lease from the Trustee to the Company prefixed to this Agreement, to which form reference is hereby made; and

WHEREAS, subscriptions have been or are being secured to the amount of twenty million one hundred thousand dollars ($20,100,000) to a fund to be known as the Pennsylvania Railroad General Equipment Trust, Series B, which said fund is to be furnished to the Vendors to be applied by them in part payment of the purchase price of said railroad equipment to be acquired by them; and

WHEREAS, said Vendors desire to secure to the parties subscribing to said fund, or their assigns, the payment of the amount thereof in fifteen annual instalments, payable respectively on April 1 in each year, from April 1, 1925, to April 1, 1939, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively at the rate of five per cent. (5%) per annum from April 1, 1924, payable semi-annually on April 1 and October 1 in each year; and to evidence the rights of the subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The vendors hereby agree to sell, assign, transfer and set over unto the Trustee, as trustee for the holders of the Trust Certificates hereinafter described, the Trust Equipment described in said Lease prefixed hereto. The Vendors will deliver, or cause to be delivered, the Trust Equipment to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company shall simultaneously with the execution of this Agreement execute and deliver said Lease of all the Trust Equipment.

SECTION 2. Upon the transfer and delivery to the Trustee of any of the Trust Equipment it shall, subject to the provisions of Section 5 of this Article I, issue to the Vendors, or upon their order, for distribution to the several subscribers to said Pennsylvania Railroad General Equipment Trust, Series B, certificates to be known as Pennsylvania Railroad General Equipment Trust Certificates, Series B, herein called the Trust Certificates, of such maturity or maturities as shall be designated by the Vendors, to a principal amount equal to 80 per cent. of the cost of the Trust Equipment so transferred and delivered to it, or to the greatest multiple of $1,000 contained therein, and make payment to the Vendors, or upon their order, in cash, of the remainder of said cost, out of the instalment of rental payable upon such delivery pursuant to subdivision (a) of Article First of said Lease. Any amount by which 80 per cent. of the cost of such Trust Equipment shall exceed the greatest multiple of $1,000 contained therein shall be adjusted upon the delivery of the next lot of Trust Equipment hereunder.

SECTION 3. In lieu of executing and delivering Trust Certificates against the delivery of Trust Equipment as in Section 2 of this Article I provided, the Trustee shall at any time, or from time to time, upon request of the Vendors, execute and deliver to the Vendors, or upon their order, for distribution to said several subscribers, Trust Certificates of such maturity or maturities as shall be designated in such request, upon the deposit in cash with the Trustee, or to its credit as Trustee hereunder, with such banks, bankers or trust companies as may be designated by the Vendors and approved by the President or a Vice-President of the Company, and also approved by the by the President or a vice-President or the Treasurer of the Trustee, of said fund, or a part thereof equal to the principal amount of the Trust Certificates the execution and delivery of which shall be so requested. The Trustee may likewise cause to be deposited with such banks, bankers or trust companies the instalments of rental payable to it on each delivery of Trust Equipment pursuant to subdivision (a) of Article First of said Lease, and any sums received by it pursuant to Article Third of said Lease.

Any interest allowed by the Trustee or said banks, bankers or trust companies upon any moneys so deposited shall belong to the Company and be paid to it by or upon the order of the Trustee, so long as it shall not be in default hereunder or under said Lease, in lieu of the use of the Trust Equipment for the period before the delivery thereof. The certificates of the banks, bankers or trust companies so designated, stating that they hold a stated amount subject to the order of the Trustee, shall be full protection to the Trustee for its action on the faith thereof. Said banks, bankers, or trust companies shall be fully protected in paying said moneys so deposited with

them, and any such interest, to or upon the order of the Trustee, and shall be under no obligation to see to the application thereof in accordance with the provisions of this Agreement.

SECTION 4. The cash deposited with or to the credit of the Trustee constituting said fund, or a part thereof, as in Section 3 of this Article I provided (hereinafter called the Deposited Cash), all instalments of rental paid upon the delivery of Trust Equipment pursuant to subdivision (a) of Article First of said Lease, and any sums received by said Trustee pursuant to Article Third of said Lease, shall, until paid out by the Trustee as herein provided, be held for the benefit of the holders of the Trust Certificates. Whenever from time to time any of the Trust Equipment shall be transferred and delivered to the Trustee, the Trustee shall, if requested so to do, subject to the provisions of Section 5 of this Article I, pay to the Vendors, or upon their order, out of the Deposited Cash, an amount equal to 80 per cent. of the cost of the Trust Equipment so transferred and delivered to it, and shall make payment of the remainder thereof out of the instalment of rental payable on such delivery pursuant to subdivision (a) of Article First of said Lease.

SECTION 5. The Trustee shall not issue any Trust Certificates or pay out any Deposited Cash against the delivery of any of the Trust Equipment unless and until it shall have received

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment specified by number in such certificate has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a bill or bills of sale of such Trust Equipment from the manufacturer or owner thereof to the Trustee, containing or accompanied by a warranty or guaranty by the manufacturer or owner to the Trustee that the title to the Trust Equipment described therein is free from any liens or encumbrances;

(c) an opinion of counsel satisfactory to the Trustee (who may be of counsel for the Company) that such bill or bills of sale are valid and effective to vest in the Trustee, free from all liens and encumbrances, the title so transferred to the Trustee; and

(d) a certificate or certificates as to the cost of such Trust Equipment signed by the President or a Vice-President, or the Treasurer or an Assistant Treasurer of the Company, which certificates may state either that the cost of such Trust Equipment is an amount therein specified or that the cost of such Trust Equipment is not less than an amount therein specified, and shall be conclusive evidence of such cost.

SECTION 6. Anything in this Article contained to the contrary notwithstanding, the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the sum of twenty million one hundred thousand dollars ($20,100,000) at any one time outstanding.

ARTICLE II.

SECTION I. Each of the Trust Certificates shall represent an interest to the amount of one thousand dollars ($1,000) in the trust of the Trust Equipment hereby created, and the holder or registered owner thereof shall be entitled to receive dividends on said amount at the rate of five per cent. (5%) per annum from April 1, 1924,

payable semi-annually on April I and October I in each year. The Trust Certificates shall become due and payable as follows:

On April 1, 1925.....	$1,340,000	principal amount.
On April 1, 1926.....	1,340,000	" "
On April 1, 1927.....	1,340,000	" "
On April 1, 1928.....	1,340,000	" "
On April 1, 1929.....	1,340,000	" "
On April 1, 1930.....	1,340,000	" "
On April 1, 1931.....	1,340,000	" "
On April 1, 1932.....	1,340,000	" "
On April 1, 1933.....	1,340,000	" "
On April 1, 1934.....	1,340,000	" "
On April 1, 1935.....	1,340,000	" "
On April 1, 1936.....	1,340,000	" "
On April 1, 1937.....	1,340,000	" "
On April 1, 1938.....	1,340,000	" "
On April 1, 1939.....	1,340,000	" "

The due date of each Trust Certificate shall appear upon its face. The Trust Certificates shall be numbered from I consecutively upward to 20,100 both inclusive.

Dividend warrants evidencing the right of the holders of the Trust Certificates to the dividends thereon, shall be annexed to the respective Trust Certificates. All dividends on the respective Trust Certificates shall cease after the principal thereof shall have become due.

SECTION 2. The Trust Certificates, the dividend warrants to be annexed thereto, and the guaranty to be endorsed thereon by the Company as hereinafter in Article III provided, shall be in substantially the following forms:

(FORM OF TRUST CERTIFICATE.)

$1,000 No.

PENNSYLVANIA RAILROAD GENERAL EQUIPMENT TRUST

SERIES B

TOTAL ISSUE $20,100,000

Dividends at the Rate of Five Per Cent. per annum

Payable April I and October I.

Fidelity Trust Company, of Philadelphia, Pennsylvania,

Trustee.

PRINCIPAL HEREOF DUE APRIL I, 19 .

FIDELITY TRUST COMPANY, Trustee under an Agreement dated April 1, 1924, between Harry J. Moore and Josiah B. Bartow, of the first part, Fidelity Trust Company, Trustee, of the second part, and the Pennsylvania Railroad Company, of the third part, hereby certifies that the bearer, or, if this certificate be registered, the registered owner hereof, is entitled to an interest of One Thousand Dollars in the PENNSYLVANIA RAILROAD GENERAL EQUIPMENT TRUST, SERIES B, payable on April 1, 19 , and to dividends thereon at the rate of five per cent. per annum from April 1, 1924, to said date of maturity, payable semi-annually on April 1 and October 1 in each year, upon presentation and surrender as they severally mature, of the dividend warrants hereto attached, both

principal and dividends being payable at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at the option of the holder or registered owner, at its agency in the Borough of Manhattan in the City and State of New York, in gold coin of the United States of America of or equal to the present standard of weight and fineness, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which The Pennsylvania Railroad Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, but only from and out of rentals received from a certain Lease of railroad equipment made by Fidelity Trust Company, Trustee, to The Pennsylvania Railroad Company, dated April 1, 1924.

This certificate is one of an issue of 20,100 certificates for $1,000 each, similar except as to dates of maturity, all issued under said Agreement, under which said railroad equipment and said Lease thereof are held by said Trustee in trust for the equal benefit of the holders of the interests represented by said certificates , to which Agreement and Lease, filed with the Trustee at its office in the City of Philadelphia, Pennsylvania, reference is made for a further statement of the rights of the holder hereof thereunder.

This certificate may be registered in the name of the holder hereof at the office of the trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan in the City and State of New York, ans such registration noted hereon by or on behalf of the Trustee. Thereafter title to the interest represented by this certificate shall pass only by transfer/to bearer shall have been similarly registered and noted hereon. Such registration shall apply only to the principal of this certificate and not to the dividend warrants hereunto attached, which shall continue to be registered at said office or agency unless and until a transfer payable to bearer.

In case of default in the performance or observance of any of the covenants of The Pennsylvania Railroad Company in said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect therein provided.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and dividend warrants bearing the facsimilie signature of its Treasurer to be attached hereto, as of the first day of April, 1924.

FIDELITY TRUST COMPANY, TRUSTEE,

By

President.

Attest:

Secretary.

(FORM OF DIVIDEND WARRANT.)

$25. No.

Due to the bearer hereof on the first day of , 19 , on surrender hereof at the office of the undersigned Trustee in Philadelphia, Pa., or at its agency in the Borough of Manhattan, City and State of New York, Twenty-five Dollars, without deduction for Federal/income taxes (other than Federal or Pennsylvania taxes), being the semi-annual dividend then due on certificate No. of the Pennsylvania Railroad General Equipment Trust, Series B, payable only out of

rentals under the Lease referred to in said certificate.

FIDELITY TRUST COMPANY, TRUSTEE,

By

Treasurer.

(FORM OF GUARANTY)

The Pennsylvania Railroad Company, for a valuable consideration, hereby unconditionally guarantees to the holder or registered owner of the within certificate the prompt payment of One Thousand Dollars, being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of five per cent. per annum on the semi-annual dates mentioned in said certificate and in the dividend warrants thereunto attached.

THE PENNSYLVANIA RAILROAD COMPANY,

By

President.

SECTION 3. The Trust Certificates shall be signed in the name and on behalf of the Trustee by its President or one of its Vice-Presidents, and its corporate seal shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. The dividend warrants to be thereunto attached shall be authenticated by the facsimilie signature of the present or any future Treasurer of the Trustee. Before executing or delivering any Trust Certificates all matured dividend warrants thereto appertaining shall be cut off and cancelled and delivered by the Trustee to the Company.

SECTION 4. Temporary printed Trust Certificates, with or without dividend warrants, in such form and denominations as the Trustee may determine, may be issued by the Trustee, having endorsed thereon said guaranty of the Company, which shall be exchangeable upon surrender for definitive engraved or lithographed Trust Certificates, having endorsed thereon said guaranty of the Company, when the same shall have been prepared. Each of said temporary Trust Certificates shall designate the date or dates of maturity of the definitive Trust Certificate or Certificates for which it is exchangeable and until such exchange said temporary Trust Certificates shall be entitled to the same benefit of this Agreement in all respects as said definitive Trust Certificates, including the guaranty of payment by the Company.

SECTION 5. Any of the definitive Trust Certificates may be registered in the name of the holder at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan in the City and State of New York, and such registration shall be noted thereon by or on behalf of the Trustee. Thereafter no transfer thereof shall be valid unless made at said office or agency by the registered owner thereof, in person or by his duly authorized attorney, and similarly noted; but the same may be discharged from registration by being in like manner transferred to bearer; and such Trust Certificates may again and from time to time be registered or transferred to bearer as before.

Such registration, however, shall not affect the dividend warrants, but every such dividend warrant shall continue to be transferable by delivery merely and shall remain payable to bearer.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the berarer of any unregistered Trust Certificate and the bearer of any dividend warrant, as the absolute owner of such Trust Certificate or dividend warrant, as the

case may be, for the purpose of receiving payment thereof, and for all other purposes, and shall not be affected by any notice to the contrary. The parties hereto may deem and treat the registered owner of any registered Trust Certificate as the absolute owner of such Trust Certificate for all purposes except payment of dividends, and shall not be affected by any notice to the contrary.

For any registration, transfer or discharge from registration, the Trustee at its option may, and if so requested by the Company shall, require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therwith..

SECTION 6. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate (and the Company at the request of the Trustee shall execute its guaranty thereon), with all unmatured dividend warrants appertaining thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, destroyed or stolen, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of and substitution for the same if lost, destroyed or stolen, and make payment of any matured dividend warrants appertaining to the same. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate or warrants alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate and warrants, and also such security or indemnity as may be required by the Trustee and by the Company in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and warrants and shall preclude any and all other rights and remedies, any law or statute now existing or hereinafter enacted to the contrary notwithstanding.

ARTICLE III.

SECTION I. The Company hereby accepts and becomes bound by all the terms of this Agreement, and hereby covenants and agrees to make payment of the reasonable expenses of the Trustee, and of all taxes, assessments and other governmental charges herein mentioned for which the Trustee may be liable, or which (other than Federal income taxes) the Trustee or the Company may be required to pay or to retain from the principal of the Trust Certificates or the dividends payable in respect thereof, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

SECTION 2. The Company covenants and agrees and guarantees that the holder or registered owner of each of the Trust Certificates shall receive the sum of One Thousand Dollars, in gold coin of the United States of America of or equal to the present standard of weight and fineness, when and as the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and shall receive dividends thereon in like gold coin at the rate of five per cent. (5%) per annum, from April 1, 1924, to the date of maturity of such certificate, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which the Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, and at the times

and place and otherwise as expressed in the Trust Certificates and in the dividend warrants thereto attached; and the Company further covenants and agrees to endorse upon each of the Trust Certificates, at or before the issue and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form in Section 2 of Article II hereof provided. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the President or one of its Vice-Presidents, or by such other person or persons as shall have been duly authorized by its Board of Directors to sign for the President and upon behalf of the Company.

SECTION 3. The Company covenants and agrees that it will pay or cause to be paid or discharged, or make adequate provision for the satisfaction or discharge of, any claim which, if unpaid, might become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 4. The Company covenants and agrees to pay the expenses incident to the preparation and execution of the Trust Certificates and divident warrants, including any temporary Trust Certificates to be issued hereunder, or connected with the preparation, execution, recording, registration and filing hereof or of said Lease or of any instruments executed under the provisions hereof or of said Lease in respect to the Trust Equipment or Lease, or any equipment or parts used to replace any of the same. The Company with all convenient speed will cause this Agreement and said Lease, and all supplemental leases and agreements which may be executed under the terms of this Agreement or of said Lease, to be duly filed and recorded in all states wherein are situated railroad lines owned or operated by the Company under lease or otherwise, or by any railroad company, a majority of the capital stock of which is owned by the Company and to which it shall permit the use of any of the Trust Equipment, or lines over which the Company or such a railroad company has trackage rights, and in all states where any of the Trust Equipment shall be delivered, and otherwise as may be required by law, so that this Agreement and said Lease and all said other instruments may at all times be duly filed and recorded.

SECTION 5. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and said Lease and the intent thereof.

ARTICLE IV.

SECTION I. In order to prevent any accumulation of Trust Certificates or of divident warrants after maturity, neither the Trustee nor the Company shall directly or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution therfor shall be issued, and neither the Trustee nor the Company shall directly or indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants, or for an advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee or the

Company, or in case, at or after maturity, any Trust Certificates or dividend warrants shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Company or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustee or the Company, such Trust Certificates and dividend warrants shall not be entitled to the benefit of said Lease or of this Agreement, except subject to the prior payment in full of the principal of all other Trust Certificates and dividend warrants, whether the same be then matured or unmatured.

SECTION 2. In case one or more of the events of default described in Article Seventh of said Lease shall happen, the Trustee in its discretion may, and at the request of the holders of a majority in amount of the Trust Certificates then outstanding shall, declare the principal of all of said Trust Certificates to be due and payable, and thereupon the same shall become and be immediately due and payable. In case one or more of said events of default shall happen (whether the principal of the Trust Certificates shall have been declared due and payable or not), the Trustee may retake possession of the Trust Equipment or any part thereof and may either hold or lease the same or any part thereof, or dispose of the same or any part thereof in such manner, at public or private sale, for cash or upon credit, as the Trustee may deem most beneficial to the interests of the holders of said Trust Certificates, and upon the written request of the holders of one-quarter in amount of the Trust Certificates at the time outstanding, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all steps for the protection and enforcement of its rights and the rights of the holders of the Trust Certificates, and to exercise one or more of the powers of entry, sale and lease in said Lease conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee being advised by counsel shall deem most expedient in the interest of the holders of the Trust Certificates; but, anything in this Agreement to the contrary notwithstanding, upon proper indemnity to the Trustee, the holders of a majority in amount of the Trust Certificates then outstanding shall have the right from time to time to direct and to control all proceedings for the enforcement of said Lease and this Agreement and the sale or lease of the Trust Equipment. The proceeds of such proceedings or lease or sale shall be applied by the Trustee to the payment, after deducting the expenses of the Trust and all taxes, assessments and other governmental charges which the Trustee may by law be required to pay in respect of the trust or the Trust Certificates aforesaid or the dividends thereon:

(1) of the dividend warrants then due with interest on any overdue dividends at the rate of five per cent. per annum; and

(2) of the principal of all said outstanding Trust Certificates with interest thereon at the rate of five per cent. per annum from the last preceding dividend date, whether said Certificates or any of them shall then have matured by their terms or not;

all of said payments to be in full, if said proceeds shall be sufficient, and if not, then pro rata, without preference of principal over dividends, or of dividends over principal or otherwise (subject, however, to Section I of this Article IV), and without regard to the dates of maturity thereof.

The foregoing provisions, however, are subject to the condition that if at any time after the principal of the Trust Certificates shall have been declared and have become due and payable, as hereinbefore provided, but before April 1, 1939, all arrears of

rental (with interest upon any overdue instalment at the rate of five per cent. per annum), the expenses of the Trustee and all other sums which shall have become due and payable by the Company hereunder or under said Lease other than the principal of Trust Certificates and rental instalments which shall not at the time have matured according to their terms), shall be paid by the Company before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition of this Agreement or said Lease shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the holders of a majority in principal amount of the Trust Certificates then outstanding and which shall not have then matured according to their terms, shall, by written notice to the Company, waive the default by reason of which the principal of the Trust Certificates shall have been declared and become due and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act, against the Company or in respect to the Trust Equipment, on the part of the Trustee or on the part of any holder of any Trust Certificate or dividend warrant, nor any delay or indulgence granted to the Company by the Trustee or any such holder, shall affect the obligations of the Company under this Agreement or under said Lease or under its guaranty.

ARTICLE V.

SECTION 1. The Trustee hereby covenants and agrees to perform, and, so far as possible, to enforce the performance of, all and singular the terms, conditions and covenants of said Lease, including the marking of the Trust Equipment.

SECTION 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivisions (b), (c), (d) and (e) of Article First of said Lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the necessary and reasonable expenses of the trust connected with the Trust Equipment and said Lease thereof;

(b) to the payment of any and all taxes, assessments and other governmental charges upon the income or property of the trust, or the agreements evidencing the same, which the Trustee may be required to pay, and of any and all taxes, assessments and other governmental charges (other than Federal income taxes) which the Trustee may be required to pay or to retain from the principal of the Trust Certificates or from the dividends payable thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania;

(c) to the payment of the dividend warrants attached to the Trust Certificates when and as the same shall become payable; and

(d) to the payment of the principal of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof.

SECTION 3. The Trustee shall cause to be kept, at an agency in the Borough of Manhattan in the City and State of New York, books for the registration and transfer of the Trust Certificates and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, and under such reasonable regulations as

may be prescribed, any of the Trust Certificates. The Trustee, at all times until the payment of the principal of all the Trust Certificates, shall keep an agency in the Borough of Manhattan in the City and State of New York, where the Trust Certificates and dividend warrants may be presented for payment.

SECTION 4. The Trustee assumes no liability for anything other than its own wilful or gross neglect. It shall be required to undertake no act or duty in the way of taking care of or taking possession of the Trust Equipment until fully secured against all liability. No duty of insurance or of repairs or of protection of any of the trust property is incumbent upon it, nor shall it be responsible for the filing or recording of this Agreement or of said Lease; and the Trustee may issue and deliver Trust Certificates in Advance of such filing or recording.

The Trustee may exercise its powers and perform its duties by or through such attorneys, agents and servants as it shall appoint, and it shall be entitled to the advice of counsel, who may be of counsel for the Company, and shall be protected by the advice of such counsel in anything done or omitted to be done by it in accordance with such advice. The Trustee shall be answerable only for its own acts, neglects and defaults and not for the default or misconduct of any attorney, agent or servant appointed by it with reasonable care.

SECTION 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the trusts hereby created unless requested thereunto in writing by the holders of not less than one-quarter in amount of the then outstanding Trust Certificates and upon being satisfactorily indemnified against expense and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates and warrants in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default, or to take action without request.

SECTION 6. No holder of any Trust Certificate or dividend warrant issued hereunder shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trust hereby created unless, after the aforesaid request in writing by the holders of not less than one-quarter in amount of the then outstanding Trust Certificates shall have been made upon the Trustee, indemnity satisfactory to it provided, and a reasonable time elapsed for action by the Trustee upon such request, it shall decline to institute any proceedings pursuant thereto.

SECTION 7. The Trustee may, for all purposes, conclusively assume that the Company is not in default under the terms hereof until notified in writing to the contrary by the holders of at least one-tenth in amount of the Trust Certificates then outstanding, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee.

SECTION 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic, and to be signed by the proper party or parties.

SECTION 9. The Trustee will allow interest upon all moneys received by it under the provisions of this Agreement or of said Lease at the rate generally prevailing among Philadelphia trust companies or allowed by it upon deposits of a similar character.

SECTION 10. The Trustee shall, at least once in each year, render to the Company a statement of its said trust and of the accounts relating thereto, and covering such matters as the Company may properly require, and the Vendors and the Company or either of them, may from time to time examine the books and accounts of the Trustee relating to said Trust Certificates and Lease, to this Agreement and to the acts of the Trustee hereunder.

SECTION 11. The Trustee may resign and be discharged from the trusts created by this Agreement by giving to the Company and to the holders of the Trust Certificates then outstanding notice in writing of such resignation, specifying a date when such resignation shall take effect. Such notice may be given to the holders of the Trust Certificates by publication of the notice at least once in each of three successive calendar weeks prior to the date specified in such notice in a daily newspaper published in the Borough of Manhattan in the City and State of New York, and in a daily newspaper published in the City of Philadelphia, Pennsylvania. Such resignation shall take effect on the date specified in such notice (which date shall not be less than thirty days after the giving or first publication of such notice), unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee and executed by the holders of a majority in principal amount of the Trust Certificates at the time outstanding.

SECTION 12. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the holders of a majority in principal amount of the Trust Certificates at the time outstanding, by an instrument or concurrent instruments signed by such Certificate holders or their attorneys in fact duly authorized; but until a new trustee shall be appointed by said Certificate holders as herein authorized, the Company, by an instrument executed under its corporate seal, may appoint a trustee to fill such vacancy. Every such successor trustee, whether appointed by the Certificate holders or by the Company, shall always be a trust company or bank having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York and having an office either in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan in the City and State of New York, and having a capital and surplus aggregating at least five million dollars. After any such appointment by the Company, it shall cause notice of such appointment to be published once a week in each of four successive weeks in a daily newspaper published in the Borough of Manhattan in the City and State of New York, and in a daily newspaper published in the City of Philadelphia, Pennsylvania; but any new trustee so appointed by the Company shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the holders of a majority in principal amount of the Trust Certificates at the time outstanding.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act shall, on the written request of such successor trustee, assign and transfer the trust estate or cause the trust estate to be

assigned and transferred to the successor trustee, and shall thereupon be entitled to the payment of its charges and expenses theretofore incurred. Upon request of such successor trustee, the Company shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all the right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Company.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, provided such corporation shall be a corporation having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York, and shall do business in the City of Philadelphia, Pennsylvania, or the Borough of Manhattan in the City and State of New York, and have a capital and surplus aggregating at least five million dollars, shall be the successor trustee under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VI.

No recourse under any obligation, covenant or agreement of this Agreement, or of the guaranty of the Company respecting any Trust Certificate or dividend warrant issued hereunder, shall be had against any stockholder, officer or director of the Company, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that this Agreement, said Lease and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the Stockholders, officers or directors of the Company, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement, said Lease or the guaranty of the Company respecting any of the Trust Certificates or dividend warrants issued hereunder, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement and the issue of such Trust Certificates and dividend warrants.

ARTICLE VII.

Any request or other instrument required by this Agreement to be signed or executed by holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such Certificate holders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz:

(a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or of any other officer authorized to take, either within or without the Commonwealth of Pennsylvania or the State of New York, acknowledg-

ments of deeds to be recorded in either of said States or in the State where the acknowledgment may be taken, certifying that the persons signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution;

(b) the amount of Trust Certificates held by any person executing any such request or other instrument as a Certificate holder, and the serial numbers of the Trust Certificates held by such person and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary wheresoever situated whose certificate shall be deemed by the Trustee to be satisfactory, showing that, at the date therein mentioned, such person had on deposit with such depositary, or exhibited to such depositary, the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such deposit or holding unless and until it receives proof satisfactory to it to the contrary.

ARTICLE VIII.

At the termination of said Lease to the Company, any moneys remaining in the hands of the Trustee, after paying the principal of and dividends upon the Trust Certificates, and the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company.

ARTICLE IX.

Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, firm or corporation other than the parties hereto and the holders of the Trust Certificates and appurtenant divident warrants, any right, remedy or claim, under or by reason of this Agreement, or of any term, covenant or condition thereof, and all of the terms, covenants , conditions, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates and dividend warrants.

ARTICLE X.

The term "Trustee" as used herein and in said Lease shall be held and construed to mean Fidelity Trust Company, its successors and assigns; the word "Company" herein, to mean and include the party of the third part, its successors and assigns; and the words "Certificate holder" and "Holder" shall include the plural as well as the singular number. The term "Trust Equipment" wherever used herein or in said Lease, unless otherwise indicated by the context, is intended to include all railroad equipment at any time covered by said Lease or any supplemental lease or this Agreement or required or intended so to be.

In case of the death of either of the Vendors, the other Vendor shall have and discharge all the powers of the Vendors. In case of the death or inability to act of both of the Vendors, the Trustee shall receive and distribute or pay for the account of the original Vendors, to the parties entitled to receive the same from the original Vendors, all Trust Certificates issuable or Deposited Cash or other moneys payable to the original Vendors by the Trustee hereunder. Any action taken by either of the Vendors shall have the same force and effect as if taken by both of them.

Whenever, under the provisions hereof, it is necessary or proper for any notice or demand to be given to or made upon the Company, or if at any time it is desired to give

any such notice or make any such demand, such notice or demand may be given or made to the Company by depositing a written statement thereof, securely enclosed in a postpaid wrapper, in the United States registered mail, directed to the Company at Philadelphia, Pennsylvania, and an affidavit by any person representing or acting on behalf of the Trustee as to such mailing, having the registry receipt or certificate attached, shall be conclusive evidence of the giving of such notice and the making of such demand.

This Agreement may be simultaneously executed in fifteen counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF the parties of the first part have hereunto set their hands and seals, and the parties of the second and third parts have caused their names to be signed hereto by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

Signed, sealed, acknowledged, and delivered in the presence of:

HARRY J. MOORE (SEAL)

JOSIAH B. BARTOW (SEAL)

As to Harry J. Moore and Josiah B. Bartow:

E. E. DANIELL

JOHN H. WOOD

FIDELITY TRUST COMPANY,

By

W. G. LITTLETON

Vice-President

(CORPORATE SEAL)

Attest:

H. W. WOODWARD

Assistant Secretary.

As to Fidelity Trust Company:

A. W. PORTER

JOHN H. WOOD

As to the Pennsylvania Railroad Company:

J. S. HEBDEN

H. L. HEINZEROTH

THE PENNSYLVANIA RAILROAD COMPANY,

By

H. TATNALL

Vice-President

(CORPORATE SEAL)

Attest:

J. TANEY WILLCOX

Assistant Secretary.

COMMONWEALTH OF PENNSYLVANIA)
)SS.
CITY AND COUNTY OF PHILADELPHIA)

I, N. Spering, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 6, 1924, before me the subscriber, a Notary Public as aforesaid, personally appeared Harry J. Moore and Josiah B. Bartow, to me known as the Vendors in the foregoing instrument in writing bearing date April 1, 1924, and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth, and desired the same to be recorded as such.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal the day and year aforesaid.

N. Spering
Notary Public
My Commission Expires April 1, 1927

(Notarial Seal)

COMMONWEALTH OF PENNSYLVANIA)
)SS.
CITY AND COUNTY OF PHILADELPHIA)

I, N. Spering, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 6, 1924, before me the subscriber, a Notary Public as aforesaid, personally appeared W. G. Littleton, Vice-President of Fidelity Trust Company, one of the corporations which executed the fore-going instrument in writing, bearing date of April 1, 1924, whose name is signed thereto, and the said W. G. Littleton to me personally known, being by me duly affirmed, did depose and say that he is the Vice-President of the said Fidelity Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed and sealed by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free act and deed of the said Fidelity Trust Company.

Affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

W. G. Littleton

I am not a stockholder, director or officer of said Trust Company.

N. Spering
Notary Public.

(Notarial seal)

My Commission Expires April 1, 1927.

COMMONWEALTH OF PENNSYLVANIA)
)SS.
CITY AND COUNTY OF PHILADELPHIA)

I, N. Spering, a Notary Public within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on May 6, 1924, before me the subscriber, a Notary Public as aforesaid, personally appeared H. Tatnall, Vice-President of The Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of April 1, 1924, whose name is signed thereto, and the said H. Tatnall, to me personally known, being by me duly affirmed, did depose and say that he is the Vice-President of the said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by said corporation to execute and acknowledge deeds and other writings of the said corporation; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed and sealed by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free act and deed of the said The Pennsylvania Railroad Company.

Affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

N. Spering
Notary Public.

(Notarial Seal)

My Commission Expires April 1, 1927

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA)
)SS
COUNTY OF PHILADELPHIA)

I, wm. J. Kerns, Acting Prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the

laws of the State of Pennsylvania to make the following certificate, DO CERTIFY, That N. SPERING, Esquire, before whom the annexed affidavit was made, was at the time of so doing a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County of Philadelphia duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe his signature thereto is genuine, and that said oath or affirmation purports to be taken in all respects as required by the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, this 23rd day of May in the year of our Lord one thousand nine hundred and twenty-four (1924)

WM. J. KERNS
Acting Prothonotary.

(COURT OF COMMON PLEAS SEAL)

STATE OF PENNSYLVANIA)
) SS
COUNTY OF PHILADELPHIA)

I DO HEREBY CERTIFY that the United States Internal Revenue stamps required by law have been affixed to one of the original counterparts of the foregoing Agreement and duly cancelled this 6th day of May 1924.

N. Spering
Notary Public

(Notarial Seal)

My Commission Espires April 1, 1927.

COMMONWEALTH OF KENTUCKY)
)
OFFICE OF THE SECRETARY OF STATE)
)
FRANKFORT, KENTUCKY)

I, Emma Guy Cromwell, Secretary of State for the Commonwealth of Kentucky, hereby certify that the foregoing copy of the Pennsylvania Railroad Equipment, Trust, Series B, Lease of Railroad Equipment, dated April 1, 1924, together with Agreement dated April 1, 1924, between Harry J. Moore and Josiah B. Bartow, Vendors, with the Fidelity Trust Company and The Pennsylvania Railroad Company was produced to me in my office and filed for record on May 29th, 1924, whereupon the same was duly recorded in Railroad Equipment Book No. 11, Pages 605 to 634.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS JUNE 9, 1924.

Emma Guy Cromwell
Secretary of State.

STATE OF WISCONSIN)
)SS
DEPARTMENT OF STATE)

Received this 17th day of August A.D. 1937 at 10:30 Oclock A.M. and recorded in Vol 33 of R. R. Mtgs. on page 175 - 200, inclusive.

Robert L. Siebecker
Ass't Secretary of State

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Edward J. Hughes
Secretary of State
By W Corp. Dept.

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PENNSYLVANIA RAILROAD EQUIPMENT TRUST
SERIES E

LEASE OF RAILROAD EQUIPMENT
Dated January 15, 1934

FIDELITY-PHILADELPHIA TRUST COMPANY,
Trustee
TO
THE PENNSYLVANIA RAILROAD COMPANY

AGREEMENT
Dated January 15, 1934

EDWIN W. BAINBRIDGE
and
CHARLES MC CALL,
Vendors
with
FIDELITY-PHILADELPHIA TRUST COMPANY
Trustee
and
THE PENNSYLVANIA RAILROAD COMPANY

LEASE OF RAILROAD EQUIPMENT, dated the 15th day of January, 1934, between Fidelity-Philadelphia Trust Company, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and The Pennsylvania Railroad Company, a corporation duly organized and existing under the laws of said Commonwealth (hereinafter called the Company), party of the second part:

WHEREAS, by a certain agreement, bearing date the 15th day of January, 1934, between Edwin W. Bainbridge and Charles McCall, Vendors, Fidelity-Philadelphia Trust Company, as Trustee, and the Pennsylvania Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Pennsylvania Railroad Equipment Trust, Series E," and it was agreed that the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of said Agreement, for and in consideration as well of the sum of one dollar to it paid by the Company at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company all the railroad equipment of the Pennsylvania Railroad Equipment Trust, Series E (hereinafter collectively called the Trust Equipment), to wit:

2000 X 29 Box Cars, steel sheathed, wood lined, length 40' 6", capacity 50 tons, to be numbered 101325 to 103324, both inclusive;

500 X 31 Box Cars, steel sheathed, wood lined, length 40' 6", capacity 50 tons, equiped with auto-loading devices, to be numbered 60222 to 60721, both inclusive;

3000 X 31A Box Cars, steel sheathed, wood lined, length 40' 6", capacity 50 tons, without auto-loading devices, to be numbered 67400 to 70399, both inclusive;

1500 F 30A Flat Cars, steel frame, wood floor, length 50', capacity 70 tons, to be numbered 473765 to 475264, both inclusive;

the cost of all said equipment being estimated by the Company to be not less than $17,000,000.

Together with such other or additional railroad equipment as shall be acquired for said trust and subjected to this Lease as hereinafter provided.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Company, and shall upon such delivery to the Company ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of this lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

FIRST. The cost of the Trust Equipment, whenever used herein or in said Agreement, shall mean the actual cost of the construction or acquisition of the Trust Equipment, including all items which may properly be included in such cost under the accounting rules of the Interstate Commerce Commission.

The financing value of the Trust Equipment, whenever used herein or in said Agreement, shall mean the portion of the cost thereof which represents the maximum amount of definitive Trust Certificates, to be issued in respect of such Trust Equipment, which the United States Government, acting through the Federal Emergency Administrator of Public Works, has agreed to purchase, to aid the Company in financing the acquisition of use of the Trust Equipment, and the later purchase thereof, as herein and in said Agreement provided.

The Company hereby accepts (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee or its assigns (or in the case of taxes to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, as and when any of the Trust Equipment shall be delivered to the Company,

(1) amounts in cash equal to the difference, if any, between the cost of the Trust Equipment so delivered, as certified to the Trustee pursuant to subdivision (b) of Section 4 of Article I of said Agreement, and the financing value of such Trust Equipment, as certified pursuant to said subdivision (b) and

(2) if the aggregate financing value of all Trust Equipment then and previously delivered, as so certified, exceeds $17,000,000, an amount which

(with all other payments previously made under this clause (2) equals such excess.

(b) The necessary and reasonable expenses of the trust, including all expenses connected with the Trust Equipment and this Lease.

(c) Any and all taxes, assessments and other governmental charges upon the income or property of the trust, or said Agreement evidencing the same, which the Trustee under said Agreement may be required to pay, and any and all taxes, assessments and other governmental charges (other than Federal income taxes) which the Company or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

(d) The dividend warrants attached to the Trust Certificates when and as the same shall become payable, and, in respect of temporary Trust Certificates, the dividends payable thereon.

(e) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof, or by reason of any call for redemption made by the Trustee at the request of the Company pursuant to Article IV of said Agreement.

(f) Upon each surrender of temporary Trust Certificates for exchange for definitive Trust Certificates pursuant to said Agreement, an amount equal to any excess of the cash payment which the registered holder or holders of the temporary Trust Certificates so surrendered are entitled to receive under Section 2 of Article II of said Agreement over the amount of cash at the time held by or for the Trustee which is applicable to such payment under the provisions of said Section 2.

The Company shall not be required, however, to pay any tax, assessment or other governmental charge so long as the Company shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered.

All rentals payable hereunder shall be payable at the principal office of the Trustee in the City of Philadelphia, State of Pennsylvania, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

Anything herein contained to the contrary notwithstanding the Trustee shall, for all purposes of this Lease and said Agreement, accept as the cost and the financing value of any of the Trust Equipment the respective amounts certified to it pursuant to dubdivision (b) of Section 4 of Article I of said Agreement. In case any certificate filed pursuant to said subdivision (b) of said Section 4 shall state that the cost and/or the financing value of the equipment therein referred to is tentatively determined, subject to final adjustment, such certificate shall nevertheless be accepted and acted upon pending adjustment. In case subsequent adjustment is made, the Company shall, as the case may be, forthwith pay to the Trustee such additional amount as would have been payable under subdivision (a) and/or subdivision (f) of this Article First if such adjustment had been made in the original certificate, or be entitled to credit any excess payment made against the next subsequent payment to be made under subdivision (a) or subdivision (f) hereof.

SECOND. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet, discharge and cancel all the interests in said Pennsylvania Railroad Equipment Trust, Series E, created in respect of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of this Lease and after all such payments required hereby shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Company simultaneously with or after the execution hereof, shall, at the option of the Company, be assigned and transferred by the Trustee to the Company or its nominee or nominees, and shall thereupon be and become the absolute property of the Company or its nominee or nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to, and the possession and use thereof by, the Company.

THIRD. Upon the written request of the Company, stating that the use of any of the Trust Equipment is no longer required by the Company, evidenced by a resolution of its Board of Directors, the Trustee may, while the Company is not in default hereunder, execute and deliver a bill of sale assigning and transferring to the purchaser named by the Company the absolute title to any of the Trust Equipment; provided, however, that none of the Trust Equipment shall be so assigned or transferred, unless simultaneously with the delivery of such bill of sale the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Company a sum in cash equal to the amount, if any, by which the cost, determined as herein provided, of the Trust Equipment so assigned and transferred, less depreciation, exceeds said purchase price. For all purposes of this Lease and said Agreement, depreciation on the Trust Equipment, or any thereof, shall be an amount equal to 1/3 of 1% of the cost thereof, determined as herein provided, for each calendar month between the date of delivery of such Trust Equipment to the agent of the Trustee and the date as of which depreciation is to be determined. The sums so paid to the Trustee shall be held by it for the equal and proportionate benefit of the bearers and registered holders of the Trust Certificates and dividend warrants, until paid out by the Trustee upon the written request of the Company for the purchase by the Trustee of new railroad rolling stock, free from liens, and upon the delivery of such new equipment to the Trustee accompanied by a bill or bills of sale, an opinion of counsel and a certificate as to delivery and cost in like manner as is provided in Section 4 of Article I of said Agreement. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all of the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Company and the Trustee shall execute, and the Company shall file and/or record, as required by law, a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof. The term "Trust Equipment," wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

FOURTH. At or before the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or

such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case in letters not less than one inch in height:

"Pennsylvania Railroad Equipment Trust, Series E, Fidelity-Philadelphia Trust Company, Trustee, Owner and Lessor."

Such plates or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of the Trust Equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored or replaced. The Company will not change, or permit to be changed, the numbers upon any of the Trust Equipment (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which previously shall have been filed with the Trustee by the Company.

The Trust Equipment may be lettered "The Pennsylvania Railroad Company," "Pennsylvania," "P. R. R.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein; but the Company, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FIFTH. (a) The Company, during the continuance of this Lease, will maintain and keep all of the Trust Equipment in Good order and repair, at its own proper cost and charge, and will replace, at its own cost, any of the Trust Equipment that may be worn out, lost or destroyed, by new railroad rolling stock of equal value, the value of the new rolling stock to be figured at cost, determined as provided in Article First hereof, if that be below market value, or at market value if that be below such cost. For the purpose of this Article Fifth the value of such replaced equipment shall be taken to be the cost thereof, determined as provided in Article First hereof, less depreciation accrued thereon, computed as provided in Article Third hereof. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Company shall deliver to the Trustee a certificate of the Treasurer or an Assistant Treasurer of the Company stating the value of the Trust Equipment so worn out, lost or destroyed, determined as herein provided, and the cost and the reasonable market value of the equipment with which it is replaced, together with a bill or bills of sale, an opinion of counsel and a certificate as to delivery, in like manner as is provided in Section 4 of Article I of said Agreement.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this Lease, an accurate statement of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost or destroyed by accident or otherwise, and the number of units of Trust Equipment repaired during the previous year. Together with said statement the Company shall also furnish to the Trustee a statement signed by its Chief of Motive Power or an Assistant Chief of Motive Power stating that in the case of all of the Trust Equipment repainted during the preceding year, the marks required by Article Fourth hereof have been preserved, or that the same when repainted has been again marked as required by

said Article. The Trustee shall have the right, by its agents, to inspect the Trust Equipment once in every year during the continuance of this Lease.

(c) The Company covenants and agrees to indemnify and protect the Trustee in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including, but without limitation, all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the bearers and registered holders of the Trust Certificates.

SIXTH. The Company, so long as it shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned or operated by it under lease or otherwise, or over which it has trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned or controlled by the Company, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to theCompany, but only upon and subject to all the terms and conditions of this Lease.

The Company will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. A transfer to a railroad company which shall acquire all or substantially all of the lines of railroad of the Company, and which shall assume and agree to perform each and all of the obligations and covenants of the Company hereunder and under said Agreement, shall not be deemed a breach of this covenant, nor shall the appointment of a temporary receiver or receivers, trustee or trustees, for the Company or its property be deemed such a breach; but the appointment of a permanent receiver or receivers, trustee or trustees, shall be deemed a breach of this covenent. The Trustee shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of this Lease or transfer or sublease of the Trust Equipment. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SEVENTH. In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of its rights or interest in, or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, or any thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be

cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the cost of the Trust Equipment so assigned or transferred or sub-leased as certified to the Trustee pursuant to Section 4 of Article I of said Agreement (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Company of such Trust Equipment), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee may by its agents, enter upon the railroads and premises of the Company and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as it may deem necessary or desirable to perform and fulfill the trusts under said Agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company; and no payments theretofore made by the Company for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Pennsylvania Railroad Equipment Trust, Series E; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sum shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b), (c), (d), (e) and (f) of Article First hereof, whether they shall have then matured or not.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company will, at its own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or be drawn to such point or points on said railroads as shall be designated by the Trustee and will

there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad or premises of the Company until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

If the Trustee shall exercise any of the powers or remedies conferred upon it hereunder, the Company shall have the right, after all rentals and other sums due hereunder to the Trustee shall have been received by the Trustee, to require title to such of the Trust Equipment as shall not previously have been sold, assigned, transferred or otherwise disposed of by the Trustee to others to be transferred and assigned by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all sums of money received by the Trustee in the exercise of such powers or remedies there shall remain any amount due to the Trustee under the provisions of this Lease, the Company hereby agrees to pay to the Trustee the amount of such deficiency. If after applying as aforesaid all sums so received by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

EIGHTH: This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their names by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

FIDELITY-PHILADELPHIA TRUST COMPANY,

(SEAL)

By T. E. FRAME
Vice-President.

Attest:
H. W. WOODWARD
Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,

(SEAL)

By A. J. COUNTY
Vice President.

Attest:
J. TANEY WILLCOX
Secretary

Signed, sealed and delivered
by both parties in the presence of:
GEO. H. PABST, JR.
F. E. GODFREY

COMMONWEALTH OF PENNSYLVANIA)
) SS.:
CITY AND COUNTY OF PHILADELPHIA)

I, G. H. Zacherle, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on January 22, 1934, before me the subscriber, a Notary Public as aforesaid, personally appeared T. E. Frame, Vice-President of Fidelity-Philadelphia Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of January 15, 1934, whose name is signed thereto, and the said T. E. Frame, to me personally known, being by me duly sworn or affirmed, did depose and say that he resides in Rydal, in the County of Montgomery, in the State of Pennsylvania; that he is the Vice-President of the said Fidelity-Philadelphia Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said Fidelity-Philadelphia Trust Company; and that he desired the same to be recorded as such.

T. E. Frame

Subscribed and sworn or affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

G. H. Zacherle

(Notarial Seal)

Notary Public
My Commission Expires
My Commission Expires March 6, 1935

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA)
)
COUNTY OF PHILADELPHIA, SS.)

I, JOHN M. SCOTT, Prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following Certificate, acting by my Principal Deputy, Meredith Hanna, or my Second Deputy, John J. Hoerr, Do Certify, That G. H. Zacherle Esquire, before whom the annexed affidavit was made, was at the time of so doing a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County of Philadelphia, duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe the signature thereto is genuine, and that said oath or affirmation purports to be taken in all respects as required by the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, this 14th day of February in the year of our Lord One thousand nine hundred and thirty-four (1934)

JOHN M. SCOTT, Prothonotary

(Notarial Seal)

By (S) JOHN J. HOERR-Second Deputy Prothonotary
Durante Absentia, Secundum Legem

COMMONWEALTH OF PENNSYLVANIA)
)SS.:
CITY AND COUNTY OF PHILADELPHIA)

I, N. SPERING a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on January 22nd, 1934, before me the subscriber, a Notary Public as aforesaid, personally appeared A. J. County, Vice-President of The Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of January 15, 1934, whose name is signed thereto, and the said A. J. County, to me personally known, being by me duly sworn, did depose and say that he resides in St. Davids, in the County of Delaware, in the State of Pennsylvania; that he is the Vice-President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of said The Pennsylvania Railroad Company; and that he desired the same to be recorded as such.

A. J. COUNTY

Subscribed and sworn before me and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

N. SPERING
Notary Public

(Notarial Seal) My Commission Expires April 1, 1935

IN THE COURTS OF COMMON PLEAS OF PHILADELPHIA COUNTY

STATE OF PENNSYLVANIA)
)ss
COUNTY OF PHILADELPHIA)

I, JOHN M. SCOTT, Prothonotary of the Courts of Common Pleas of said County, which are Courts of Record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following Certificate, acting by my Principal Deputy, Meredith Hanna, or my Second Deputy, John J. Hoerr, do CERTIFY, That N. Spering Esquire, before whom the annexed affidavit was made, was at the time of so doing a NOTARY PUBLIC for the Commonwealth of Pennsylvania, residing in the County of Philadelphia, duly commissioned and qualified to administer oaths and affirmations and to take acknowledgments and proofs of Deeds or Conveyances for lands, tenements and hereditaments to be recorded in said State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere; and that I am well acquainted with the handwriting of the said NOTARY PUBLIC and verily believe the signature thereto is genuine, and that said oath or affirmation purports to be taken in all respects as required by the laws of the State of Pennsylvania.

The impression of the seal of the Notary Public is not required by law to be filed in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, this 14th day of February in the year of our Lord one thousand nine hundred thirty-four (1934)

JOHN M. SCOTT, Prothonotary.

By John J. Hoerr, Second Deputy Prothonotary
(SEAL) Durante Absentia, Secundum Legem.

This Agreement, dated the 15th day of January, 1934, by and between EDWIN W. BAINBRIDGE and CHARLES MCCALL (hereinafter called the Vendors), of the first part, FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania (hereinafter called the Trustee), as Trustee, of the second part, and THE PENNSYLVANIA RAILROAD COMPANY (hereinafter called the Company), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted or will contract to acquire the railroad equipment (hereinafter called the Trust Equipment) specifically described in the Lease of Railroad Equipment from the Trustee to the Company prefixed to this Agreement, to which Lease reference is hereby made; and

WHEREAS, subscriptions have been or are being secured in an amount not exceeding seventeen million dollars ($17,000,000) to a fund to be known as the Pennsylvania Railroad Equipment Trust, Series E, which said fund is to be furnished to the Vendors to be applied by them in payment on account of the cost of the Trust Equipment; and

WHEREAS, the Vendors desire to secure to the subscriber or subscribers to said fund, or their assigns, the payment of the amount thereof in twenty-seven semi-annual instalments, payable respectively on January 15 and July 15, in each year, from January 15, 1936, to January 15, 1949, both inclusive, as hereinafter more particularly provided; with dividends to said dates of maturity respectively as hereinafter provided; and to evidence the rights of the subscriber or subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The Vendors hereby agree to sell, assign, transfer and set over unto the Trustee, as trustee for the bearers and registered holders of the Trust Certificates hereinafter described, the Trust Equipment described in said Lease prefixed hereto when and as the Trust Equipment or any part thereof is constructed or completed. The Vendors will deliver, or cause to be delivered, the Trust Equipment or any part thereof when and as constructed or completed to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company, simultaneously with the execution of this Agreement, have executed and delivered said Lease of all the Trust Equipment.

SECTION 2. The Trustee shall at any time, or from time to time (but not after the presentation of any temporary certificates for exchange for definitive certificates, as provided in Section 2 of Article II hereof), upon request of the Vendors, execute and deliver to the subscriber or subscribers to said fund, as specified in such request, certificates to be known as Pennsylvania Railroad Equipment Trust Certificates, Series E, herein called the Trust Certificates, registered in such name or names as shall be specified in such request, upon the deposit in cash with the Trustee, or to its credit as Trustee hereunder, with such banks, bankers or trust companies as may be designated by the Vendors and approved by the President or a Vice-President, or the Treasurer of the Company, and also approved by the President or a Vice-President, or the Treasurer of the Trustee, of said fund, or a part thereof equal to the principal amount of the

Trust Certificates the execution and delivery of which shall be so requested. The Trust Certificates delivered pursuant to this Section 2 shall be the temporary Trust Certificates hereinafter in Article II described. There shall be included in each delivery made pursuant to this Section 2, as nearly as may be, an equal amount of temporary Trust Certificates of each maturity, any difference to be adjusted on subsequent deliveries.

Any interest allowed by the Trustee or said banks, bankers or trust companies upon any moneys so deposited shall be added to said fund and become a part of the Deposited Cash to be disposed of as hereinafter provided. The certificates of the banks, bankers or trust companies so designated, stating that they hold a stated amount subject to the order of the Trustee, shall be full protection to the Trustee for its action on the faith thereof. Said banks, bankers, or trust companies shall be fully protected in paying said moneys so deposited with them, and any such interest, to or upon the order of the Trustee, and shall be under no obligation to see to the application thereof in accordance with the provisions of this Agreement.

SECTION 3. The term Deposited Cash, whenever used herein, shall mean and include (a) the cash deposited with or to the credit of the Trustee constituting said fund, or a part thereof, as in Section 2 of this Article I provided (including any interest allowed thereon), (b) all instalments of rental paid upon the delivery of the Trust Equipment pursuant to subdivision (a) of Article First of said Lease, and (c) all cash allowances or cash discounts paid directly or indirectly to the Vendors or to the Company by manufacturers of any materials or parts used in the construction of any of the Trust Equipment, which the Vendors and the Company hereby agree shall, upon receipt thereof, promptly be paid over to the Trustee. The Deposited Cash shall, until paid out by the Trustee as herein provided, be held for the benefit of the bearers and registered holders of the Trust Certificates. Whenever from time to time funds are required for payment of construction costs necessary in connection with the construction of the Trust Equipment, but not more frequently than once in each calendar month, the Trustee shall, upon the delivery to it by the Vendors of their certificate stating the date on which the funds will be required and the estimated amounts which the Vendors will be required to pay in connection with the construction of the Trust Equipment during a period of not exceeding sixty (~~60~~) days from and after the date stated in the certificate, pay to the Vendors, or upon their order, to the extent that, and as soon as, the Deposited Cash held by the Trustee is sufficient for the purpose, the aggregate amount specified in such certificate. Any amount so paid shall, if not required for use in connection with such construction, be repaid to the Trustee, and any amounts so repaid shall again become part of the Deposited Cash.

SECTION 4. Promptly after the completion of any unit or units of the Trust Equipment, the Vendors will deliver to the Trustee, in respect of such Trust Equipment

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment specified by number in such certificate has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a certificate of the Company, signed by its Treasurer or an Assistant Treasurer, certifying that the financing value of such Trust Equipment, as defined in said Lease, is the amount therein specified; and that the cost of such Trust Equipment, determined as provided in said Lease, is the amount therein specified;

(c) a bill or bills of sale of such Trust Equipment from the Vendors or the manufacturers thereof to the Trustee, containing or accompanied by a warranty or guaranty, to the Trustee that the title to the Trust Equipment described therein is free from any liens or encumbrances; and

(d) an opinion of counsel satisfactory to the Trustee that such bill or bills of sale and deliveries are valid and effective to vest in the Trustee, free from all liens and encumbrances, the title so transferred to the Trustee.

Any certificate as to cost or financing value may state that the cost and /or financing value of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment, and, in that case, adjustments may be made by certificates thereafter filed at any time prior to the issue of definitive Trust Certificates pursuant to this Agreement.

SECTION 5. Anything in this Article contained to the contrary notwithstanding the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the sum of seventeen million dollars ($17,000,000) at any one time outstanding (subject, however, to the provisions of Section 8 of Article II of this Agreement).

A R T I C L E II.

SECTION 1. The certificates originally issued hereunder shall be temporary printed or lithographed Trust Certificates, without dividend warrants, shall be in fully registered form, shall be issued in such denominations as the Vendors may from time to time request, shall be dated the day of issue thereof and shall represent an interest to the amount therein specified in the Trust hereby created, and the registered holders thereof shall be entitled to receive dividends on said amount at the rate of four (4%) per cent. per annum from and after one year from the date thereof, payable semi-annually thereafter in each year.

Subject to the provisions of Section 2 of this Article II, such temporary certificates shall be exchangeable, not earlier that eighteen months from the date thereof, for definitive certificates with all unmatured dividend warrants attached, upon the surrender to the Trustee of temporary certificates for exchange. Upon surrender of any temporary certificates for exchange, the Trustee, without any charge therefor to the registered holder thereof, shall execute and deliver to such registered holder, in exchange therefor, subject to the provisions of Section 2 of this Article II, one or more definitive certificates with all unmatured dividend warrants attached, of an aggregate principal amount equal to the principal amount of the temporary certificate or certificates so surrendered and of the same maturity as the temporary certificate or certificates so surrendered. Until so exchanged, each of such temporary certificates shall be entitled to the benefits of this Agreement as herein provided.

SECTION 2. Anything herein contained to the contrary notwithstanding, the aggregate principal amount of definitive Trust Certificates issued hereunder shall not exceed the largest multiple of twenty-seven which is equal to or less than the aggregate

financing value of the Trust Equipment duly delivered to the Trustee prior to the issue thereof, as finally certified to the Trustee pursuant to Section 4 of Article I hereof (subject, however, to the provisions of Section 8 of Article II hereof). No delivery of Trust Equipment, or of certificates of cost or financing value thereof, made after the first issue of definitive Trust Certificates hereunder, shall change the amount of definitive Trust Certificates issuable hereunder.

In case, at the time of the presentation of any temporary Trust Certificate for exchange for a definitive Trust Certificate or Certificates, the aggregate financing value of such Trust Equipment, as so certified, is less than the aggregate principal amount of temporary Trust Certificates theretofore issued, the Trustee shall (a) deliver to the registered holder of such temporary Trust Certificate a definitive Trust Certificate or Certificates of the same maturity to a principal amount equal to the same proportion of such aggregate financing value that the principal amount of the temporary Trust Certificate presented is of the total principal amount of temporary Trust Certificates theretofore issued (or, if the principal amount of definitive Trust Certificates so determined is not $1,000 or a multiple thereof, a principal amount of definitive Trust Certificates equal to the next smaller amount which is $1,000 or a multiple thereof, any such difference to be adjusted in subsequent exchanges), and (b) pay to such registered holder, in cash, the difference between the principal amount of said temporary certificate and the principal amount of definitive certificates issued in exchange therefor, but only out of any Deposited Cash then held by the Trustee or out of sums paid to the Trustee as rental under subdivision (f) of Article First of the Lease and still held by the Trustee.

Any moneys held by the Trustee after surrender and cancellation of all outstanding temporary Trust Certificates, the disposition of which is not herein otherwise provided for, shall be credited against the next instalment or instalments of rental payable under the Lease.

SECTION 3. Each of the definitive Trust Certificates shall be dated July 15, 1935, and shall represent an interest to the amount of one thousand dollars ($1,000), or some multiple thereof, in the trust of the Trust Equipment hereby created, and the bearer or registered holder thereof shall be entitled to receive dividends on said amount at the rate of four per cent. (4%) per annum from July 15, 1935, payable semi-annually on January 15, and July 15, in each year. Definitive Trust Certificates of denominations greater than $1,000 shall, if therein so provided, be exchangeable, at the option of the bearer or registered holder, for a like principal amount of definitive Trust Certificates of the same maturities of the denominations of $1,000 each.

The due date of each Trust Certificate shall appear upon its face. The definitive Trust Certificates of the denomination of $1,000 shall be numbered from 1 consecutively upwards and definitive Trust Certificates of other denominations shall be numbered in such manner as the Trustee may determine.

Dividend warrants evidencing the right to receive dividends on the Trust Certificates shall be annexed to the respective definitive Trust Certificates. All dividends on the respective Trust Certificates shall cease after the principal thereof shall have become due.

SECTION 4. One twenty-seventh of the aggregate principal amount of Trust Certificates shall be due on each 15th day of January and 15th day of July, from January 15, 1936, to January 15, 1949, both dates inclusive.

SECTION 5. The Trust Certificates, the dividend warrants to be annexed thereto, and the guaranty to be endorsed thereon by the Company as hereinafter in Article III provided, shall be in substantially the following forms:

(FORM OF TEMPORARY TRUST CERTIFICATE)

$ No.

PENNSYLVANIA RAILROAD EQUIPMENT TRUST

Series E

Total Issue Not To Exceed $17,000,000

Fidelity-Philadelphia Trust Company,
of Philadelphia, Pennsylvania, Trustee.

Principal Hereof Due , 19 .

Fidelity-Philadelphia Trust Company, Trustee under an Agreement dated January 15, 1934, between Edwin W. Bainbridge and Charles McCall, of the first part, Fidelity-Philadelphia Trust Company, Trustee, of the second part, and The Pennsylvania Railroad Company of the third part, hereby certifies that is entitled to an interest of Dollars in the PENNSYLVANIA RAILROAD TRUST, SERIES E, payable on , 19 , and to dividends thereon at the rate of four per cent. per annum from and after one year from the date hereof to said date of maturity (or, in case of redemption of this certificate, to the date of redemption), payable semi-annually thereafter on the 15th day of January and the 15th day of July in each year, both principal and dividends being payable at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at the option of the registered holder, at its agency in the Borough of Manhattan in the City and State of New York (which agency may be the office of The Pennsylvania Railroad Company in said Borough, City and State), in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which The Pennsylvania Railroad Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, but only from and out of rentals received by the Trustee from a certain Lease of Railroad Equipment made by Fidelity-Philadelphia Trust Company, Trustee, to The Pennsylvania Railroad Company, dated January 15, 1934.

This certificate is one of an issue of temporary certificates in an aggregate principal amount not exceeding $17,000,000 substantially identical except as to denominations, dates and dates of maturity, all issued or to be issued under said Agreement, under which temporary certificates are to be issued by the Trustee from time to time in varying amounts against the payment to the Trustee of the par value thereof in cash. Said Agreement provides that the Trustee will pay out such cash, in whole or in part, from time to time and in varying amounts, in advance of delivery and receipt of said railroad equipment and for the purpose of providing for the construction of said railroad equipment. Upon the surrender of this certificate to the Trustee, not earlier than eighteen months from the date hereof, the registered holder

hereof will be entitled to receive (a) a definitive certificate or certificates of the same maturity, with all unmatured dividend warrants attached, to such aggregate principal amount as may be issuable in respect hereof under the provisions of Section 2 of Article II of said Agreement, and (b) cash to an amount equal to any excess of the principal amount hereof over the principal amount of definitive certificates so delivered, but only out of amounts held by the Trustee and applicable hereto under the provisions of said Section 2. Until so exchanged, this certificate shall be entitled to the benefits of said Agreement as therein and herein provided. Reference is made to the Agreement and Lease, filed with the Trustee at its office in the City of Philadelphia, Pennsylvania, for a further statement of the rights of the registered holder hereof thereunder.

Said certificates are subject to redemption, at the election of The Pennsylvania Railroad Company, either as a whole, or in part, all, but not a part, of the certificates of any maturity being redeemable (provided all certificates maturing after the maturity of the Trust Certificates called for redemption have been, or are at the same time, duly called for redemption) on any semi-annual dividend payment date, at the principal amount thereof and accrued dividends thereon to the date designated for redemption, upon at least forty-five days previous notice by publication in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, and in one such newspaper published and of general circulation in Philadelphia, Pennsylvania, the first publication to be made not less than forty-five nor more than sixty days prior to the redemption date specified in such notice, all as provided in said Agreement.

This certificate is transferable by the registered holder hereof at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan in the City and State of New York. The Trustee and The Pennsylvania Railroad Company shall be entitled to treat the registered holder hereof as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of The Pennsylvania Railroad Companyin said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect in said Agreement provided.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, this day of , 19 .

Fidelity-Philadelphia Trust Company, Trustee,
by

President/

Attest:

Secretary.

(FORM OF GUARANTY ON TEMPORARY CERTIFICATES)

The Pennsylvania Railroad Company, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within certificate the prompt payment of Dollars, being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or by call for redemption or otherwise, and of dividends thereon at the rate of four per cent. per annum on the semi-annual dates mentioned in said certificate (or, in case of redemption of said certificate, to and including the redemption date), all in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

THE PENNSYLVANIA RAILROAD COMPANY,
By

President.

(FORM OF DEFINITIVE TRUST CERTIFICATE)

$ No.

PENNSYLVANIA RAILROAD EQUIPMENT TRUST

Series E

Total Issue $

Dividends at the Rate of Four Per Cent. per annum.

Payable January 15 and July 15.

Fidelity-Philadelphia Trust Company, of Philadelphia,
Pennsylvania, Trustee.

PRINCIPAL HEREOF DUE , 19 .

FIDELITY-PHILADELPHIA TRUST COMPANY, Trustee under an Agreement dated January 15, 1934, between Edwin W. Bainbridge and Charles McCall, of the first part, Fidelity-Philadelphia Trust Company, Trustee, of the second part, and The Pennsylvania Railroad Company, of the third part, hereby certifies that the bearer, or, if this certificate be registered, the registered holder hereof, is entitled to an interest of Dollars in the PENNSYLVANIA RAILROAD EQUIPMENT TRUST, SERIES E, payable on , 19 , and to dividends thereon at the rate of four per cent. per annum to said date of maturity (or, in case of redemption of this certificate, to the date of redemption), payable semi-annually on January 15, and July 15, in each year, but only upon presentation and surrender as they severally mature, of the dividend warrants hereto attached, both principal and dividends being payable at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at the option of the bearer or registered holder, at its agency in the Borough of Manhattan in the City and State of New York (which agency may be the office of The Pennsylvania Railroad Company in said Borough, City and State); in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which The Pennsylvania Railroad Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, but only from and out of rentals received by the Trustee from a certain Lease of Railroad Equipment made by Fidelity-Philadelphia Trust Company, Trustee, to The Pennsylvania Railroad Company, dated

January 15, 1934.

This certificate is one of an issue of certificates, substantially identical except as to denominations and dates of maturity, all issued under said Agreement, under which said railroad equipment and said Lease thereof are held by said Trustee in trust for the pro rata benefit of the bearers and registered holders of said certificates, to which Agreement and Lease, filed with the Trustee at its office in the City of Philadelphia, Pennsylvania, reference is made for a further statement of the rights of the bearer or registered holder hereof thereunder.

Said certificates are subject to redemption, at the electionof The Pennsylvania Railroad Company, either as a whole, or in part, all, but not a part, of the certificates of any maturity being redeemable (provided all certificates maturing after the maturity of the Trust Certificates called for redemption have been, or are at the same time, duly called for redemption) on any semi-annual dividend payment date, at the principal amount thereof and accrued dividends thereon to the date designated for redemption, upon at least forty-five days previous notice by publication in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, and in one such newspaper published and of general circulation in Philadelphia, Pennsylvania, the first publication to be made not less than forty-five nor more than sixty days prior to the redemption date specified in such notice, all as provided in said Agreement.

This certificate may be registered in the name of the holder hereof at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan in the City and State of New York, and such registration noted heron by or on behalf of the Trustee. Thereafter title to the interest represented by this certificate shall pass only by transfer registered at said office or agency and noted hereon unless and until a transfer to bearer shall have been similarly registered and noted hereon. Such registration shall apply only to the principal of this certificate and not to the dividend warrants hereunto attached, which shall continue to be transferable by delivery merely and payable to bearer.

This certificate and the attached dividend warrants are issued subject to the condition, and every holder of this certificate or of any such dividend warrants, by accepting the same, agrees with every subsequent holder hereof and with the Trustee and The Pennsylvania Railroad Company, that delivery of this certificate (duly registered to bearer, when registered as aforesaid) or any such dividend warrant by any bearer shall vest title to, and all rights under, the same in the transferee to the same extent for all purposes as would the delivery under like circumstances of any negotiable instrument payable to bearer; provided, however, that the Trustee and The Pennsylvania Railroad Company shall be entitled to treat the bearer (or, at their option, when so registered, the registered holder) hereof or the bearer of such dividend warrant, as the case may be, as the absolute owner hereof or thereof, as the case may be, for all purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of The Pennsylvania Railroad Company in said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect in said Agreement provided.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be signed by its

President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary of an Assistant Secretary, and dividend warrants bearing the facsimile signature of its Treasurer to be attached hereto, as of the 15th day of July, 1935.

FIDELITY-PHILADELPHIA TRUST COMPANY, TRUSTEE

By

President

Attest:

Secretary.

(FORM OF DIVIDEND WARRANT)

No.

$

Due to the bearer hereof on the day of , 19 , (unless the certificate hereinafter described shall have been called for previous redemption, and payment thereof duly provided for) on surrender hereof at the office of the undersigned Trustee in Philadelphia, Pa., or at its agency in the Borough of Manhattan, City and State of New York, Dollars, without deduction for Federal or Pennsylvania taxes (other than Federal income taxes), required to be paid or retained as provided in, and being the semi-annual dividend then due on, certificate No. of the Pennsylvania Railroad Equipment Trust, Series E, Payable only out of rentals received by the Trustee under the Lease referred to in said certificate.

FIDELITY-PHILADELPHIA TRUST COMPANY, TRUSTEE,

By

TREASURER.

(FORM OF GUARANTY)

The Pennsylvania Railroad Company, for a valuable consideration hereby unconditionally guarantees to the bearer or registered holder of the within certificate the prompt payment of Dollars, being the principal of said certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of four per cent. per annum on the semi-annual dates mentioned in said certificate and in the dividend warrants thereunto attached (or, in case of redemption of said certificate, to and including the redemption date), all in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

THE PENNSYLVANIA RAILROAD COMPANY,

By

President.

Section 6. The Trust Certificates shall be signed in the name and on behalf of the Trustee by its president or one of its Vice-Presidents, and its corporate seal shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. The dividend warrants to be thereunto attached shall be authenticated by the facsimile signature of the present or any future Treasurer of the Trustee. Before executing or delivering any Trust Certificates all matured dividend warrants thereto appertaining shall be cut off and cancelled and delivered by the Trustee to the Company.

Section 7. Upon presentation of any temporary Trust Certificate for transfer at the office of the Trustee in the City of Philadelphia, Pennsylvania or at its agency in the Borough of Manhattan, in the City and State of New York (which agency may be the office of The Pennsylvania Railroad Company in said Borough, City and State), accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holder thereof, the Trustee shall execute and deliver a temporary Trust Certificate bearing the same date, of the same maturity, and for the same principal amount, registered in the name of the transferee,

and the Company, at the request of the Trustee, shall execute its guaranty thereon.

Upon presentation at said office or agency of any temporary Trust Certificate or Trust Certificates, or of any definitive Trust Certificate or Trust Certificates of a denomination or denominations greater than $1,000, which by their terms are exchangeable for Trust Certificates of other denominations, for exchange for Trust Certificates of other denominations, the Trustee shall execute and deliver a temporary Trust Certificate or Trust Certificates, of such denomination or denominations as may be requested by the registered holder of the Trust Certificate or Trust Certificates so presented (or, in case of presentation of definitive Trust Certificates, definitive Trust Certificates of the denomination of $1,000), bearing the same date, of the same maturity and for the same aggregate principal amount, and the Company, at the request of the trustee, shall execute its guaranty thereon.

The definitive Trust Certificates shall be negotiable and shall pass by delivery unless registered as to principal hereinafter provided. Any of the definitive Trust Certificates may be registered in the name of the holder at the office of the Trustee in the City of Philadelphia, Pennsylvania, or at its agency in the Borough of Manhattan in the City and State of New York (which agency may be the office of the Pennsylvania Railroad Company in said Borough, City and State), and such registration shall be noted thereon by or on behalf of the Trustee. Thereafter no transfer thereof shall be valid unless made at said office or agency by the registered holder thereof, in person or by his duly authorized attorney, and similarly noted; but the same may be discharged from registration by being in like manner transfered to bearer; and such Trust Certificates may again and from time to time be registered or transferred to bearer as before

Such registration, however, shall not affect the dividend warrants attached to definitive Trust Certificates, but every such dividend warrant shall continue to be transferable by delivery merely and shall remain payable to bearer.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any unregistered definitive Trust Certificate and the bearer of any dividend warrant, as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment thereof, and for all other purposes, and shall not be affected by any notice to the contrary. The parties hereto may deem and treat the registered holder of any registered Trust Certificate as the absolute owner of such Trust Certificate for all purposes except payment of dividends on definitive Trust Certificates, and shall not be affected by any notice to the contrary.

For any registration, transfer or discharge from registration, the Trustee at its option may, and if so requested by the Company shall, require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith.

Section 8. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate (and the Company shall execute its guaranty thereon), with all unmatured dividend warrants appertaining thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, destroyed or stolen, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of and substitution for the same if lost, destroyed or stolen, and make payment of any matured dividend warrants appertaining to the same. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate or warrants alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated,

defaced, lost, destroyed or stolen Trust Certificate and warrants, and also such security or indemnity as may be required by the Trustee and by the Company in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and warrants and shall preclude any and all other rights and remedies, any law or statute now existing or hereinafter enacted to the contrary notwithstanding.

ARTICLE III.

Section 1. The Company hereby accepts and becomes bound by all the terms of this Agreement, and hereby covenants and agrees to make payment of the reasonable compensation and expenses of the Trustee, and of all taxes, assessments and other governmental charges herein mentioned for which the Trustee may be liable, or which (otherthan Federal income taxes) the Trustee or the Company may be required to pay or to retain from the principal of the Trust Certificates or the dividends payable in respect thereof, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

Section 2. The Company covenants and agrees and guarantees that the registered holder of each of the temporary Trust Certificates and the bearer or registered holder of each of the definitive Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, when and as the same shall become due and payable, whether at the maturity thereof or by declaration or call for redemption or otherwise, that the registered holder of each temporary Trust Certificate shall receive dividends thereon in like coin or currency at the rate of four per cent. (4%) per annum, from one year after the date of the day of issue thereof to the date of maturity (or earlier redemption date) of such certificate, and that the bearer or registered holder of each definitive Trust Certificate shall receive (but only upon presentation and surrender of the appropriate dividend warrants) dividends thereon in like coin or currency at the rate of four per cent. (4%) per annum to the date of maturity (or earlier redemption date) of such certificate, all without deduction for any tax, assessment or other governmentalcharge (other than Federal income taxes) which the Company or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania, and at the time and place and otherwise as expressed in the Trust Certificates and in the dividend warrants thereto attached; and the Company further covenants and agrees to endorse upon each of the Trust Certificates, definitive or temporary, at or before the issue and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form in Section 5 of Article II hereof provided. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by its President or one of its Vice-Presidents, or by such other person or persons as shall have been duly authorized by its Board of Directors to sign for the President and upon behalf of the Company.

Section 3. The Company covenants and agrees that it will promptly pay or cause to be paid or discharged, or make adequate provision for the satisfaction or discharge of, any debt, obligation or claim which, if unpaid, might be or become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 4. The Company covenants and agrees to pay the expenses incident to the

preparation and execution of the Trust Certificates and dividend warrants, including the temporary Trust Certificates, or connected with the preparation, execution, recording, registration and filing hereof or of said Lease or of any instruments executed under the provisions hereof or of said Lease in respect to the Trust Equipment or Lease, or any equipment or parts used to replace any of the same. The Company with all convenient speed will cause this Agreement and said Lease, and all supplemental leases and agreements which may be executed under the terms of this Agreement or of said Lease, to be duly filed, refiled, recorded, and re-recorded in all states wherein are situated railroad lines owned or operated by the Company under lease or otherwise, or by any railroad company, a majority of the capital stock of which is owned or controlled by the Company and to which it shall permit the use of any of the Trust Equipment, or lines over which the Company or such a railroad company has trackage rights, and in all states where any of the Trust Equipment shall be delivered, and otherwise as may be required by law, so that this Agreement and said Lease and all said other instruments may at all times be duly filed and recorded.

Section 5. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and said Lease and the intent thereof.

ARTICLE IV.

Section 1. The Trust Certificates are redeemable at the election of the Company, either as a whole or in part, on any semi-annual dividend payment date, at the principal amount thereof and accrued dividends thereon to the date designated for redemption; provided however, that not less than all of the Trust Certificates of the same maturity shall be called for redemption and that no Trust Certificates shall be called for redemption unless all Trust Certificates maturing after the maturity of the Trust Certificates called for redemption have been, or are at the same time, duly called for redemption.

In case the Company shall elect to have the Trust Certificates, or any thereof, redeemed, it shall notify the Trustee in writing of such election, specifying the redemption date and which maturities of the Trust Certificate are to be called for redemption. Upon receipt of such notice the Trustee shall cause to be published at the cost of the Company, in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, and in one such newspaper published and of general circulation in Philadelphia, Pennsylvania, at least once in each week for four successive weeks, on any day or days of the week, the first publication to be not less than forty-five days and not more than sixty days prior to such redemption date, a notice to the effect that the Company has elected to redeem and pay off all the Trust Certificates, or one or more maturities thereof, as the case may be, on such date specifying in case of partial redemption the maturity date or dates of the Trust Certificates to be redeemed, and in every case stating that on such date there will become and be due and payable upon each of the Trust Certificates, or, in case of partial redemption, upon each Trust Certificate so to be redeemed (but only out of moneys paid to the Trustee by the Company for the purpose) at the office or agency of the Trustee at which the Trust Certificates are payable, the principal thereof, together with the accrued dividends to such date, and that from and after such date (unless default is made by the Company in providing moneys for such payment) dividends thereon will cease to accrue. Upon publication of such notice by the Trustee the Trust Certificates so called for redemption shall become and shall be due and payable on the date specified in such notice, together with the dividends accrued thereon,

but the Trustee shall incur no liability in respect thereof except to the extent that moneys to pay the redemption price thereof shall be duly paid to it by the Company, pursuant to Article First of said Lease. A similar notice shall be mailed by the Trustee, postage prepaid, at least forty-five days prior to such redemption date, to the registered holders of registered Trust Certificates which are so to be redeemed at their addresses as the same shall appear upon the transfer register, but the mailing of such notice shall not be a condition precedent to such redemption.

Anything herein to the contrary notwithstanding, in case at the time of any redemption of all or any part of the Trust Certificates, all Trust Certificates called for redemption shall be registered in the name of the United States of America, the advertisement of notice of redemption required by this Section may be waived in writing by the registered holder of such Trust Certificates and such waiver, which shall recite the statements required to be included in the notice, the advertisement of which is thereby waived, shall for the purposes hereof have the same effect as the publication of such notice as in this Section required.

From and after the date of redemption designated in such notice so advertised or such waiver, as the case may be (unless default shall be made in the payment of said Trust Certificates with accrued dividends as aforesaid), dividends on the Trust Certificates so designated for redemption shall cease to accrue, and on presentation at said office or agency of the Trustee of any of the Trust Certificates specified in such notice, in accordance with such notice, with all dividend warrants, if any, appertaining to said Trust Certificates, maturing on or after such redemption date, the principal of said Trust Certificates and the dividends accrued thereon shall be paid by the Trustee (but only out of moneys paid to the Trustee by the Company for the purpose); provided, however, that if any definitive Trust Certificate so presented shall not be accompanied by the dividend warrant maturing on the date designated for redemption, such Trust Certificate shall be paid at the redemption price less the dividends represented by such warrant, and such dividends shall be paid to the bearer of such warrant on presentation for payment, and provided further that accrued unpaid dividends represented by warrants which shall have matured prior to the date designated for redemption shall continue to be payable to the respective bearers thereof on presentation for payment. If not so paid upon presentation thereof, such Trust Certificates shall continue to bear dividends at the rate expressed therein.

All expenses in connection with the redemption of the Trust Certificates, or any thereof, shall be paid by the Company.

ARTICLE V.

Section 1, In order to prevent any accumulation of Trust Certificates or of dividend warrants after maturity, neither the Trustee nor the Company shall directly or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution therefor shall be issued, and neither the Trustee nor the Company shall directly or indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants, or for an advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee or the Company, or in case, at or after maturity, any Trust Certificate or dividend warrant shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Company or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustee or the Company, such Trust

Certificate or dividend warrant shall not be entitled to the benefit of said Lease or of this Agreement, execept subject to the prior payment in full of the principal of all other Trust Certificates and dividend warrants, whether the same be then matured or unmatured.

Section 2. In case one or more of the events of default described in Article Seventh of said Lease shall happen, the Trustee in its discretion may, and at the request of the bearers or registered holders of a majority in amount of the Trust Certificates then outstanding shall, declare the principal of all of the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and due and payable. In case one or more of said events of default shall happen (whether the principal of the Trust Certificates shall have been declared due and payable or not), the Trustee may retake possession of the Trust Equipment or any part thereof and may either hold or lease the same or any part thereof, or dispose of the same or any part thereof in such manner, at public or private sale, for cash or upon credit, as the Trustee may deem most beneficial to the interest of the bearers and registered holders of said Trust Certificates, and upon the written request of the bearers or registered holders of one-quarter in amount of the Trust Certificates at the time outstanding, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all steps for the protection and enforecement of its rights and the rights of the bearers and registered holders of the Trust Certificates, and to exercise one or more of the powers of entry, sale or lease in said Lease conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee being advised by counsel shall deem most expedient in the interest of the bearers and registered holders of the Trust Certificates; but, anything in this Agreement to the contrary notwithstanding, upon proper indemnity to the Trustee, the bearers or registered holders of a majority in amount of the Trust Certificates then outstanding shall have the right from time to time to direct and control all proceedings for the enforecement of said Lease and this Agreement and the sale or lease of the Trust Equipment. The proceeds of such proceedings or lease or sale shall be applied by the Trustee to the payment, after deducting the expenses of the trust and reasonable compensation of the Trustee and all taxes, assessments and other governmental charges which the Trustee may by law be required to pay in respect of the trust or the Trust Certificates aforesaid or the dividends thereon:

(1) of the dividends then due with interest on any overdue dividends at the rate of four per cent. per annum; and

(2) of the principal of all said outstanding Trust Certificates with interest thereon at the rate of four per cent. per annum from the last preceding dividend date, whether said Certificates or any of them shall then have matured by their terms or not;

all of said payments to be in full, if said proceeds shall be sufficient, and if not, then pro rata, without preference of principal over dividends, or of dividends over principal or otherwise (subject, however, to Section of of this ArticleV), and without regard to the dates of maturity thereof.

The foregoing provisions, however, are subject to the condition that, if at any time after the principal of the Trust Certificates shall have been declared and have become due and payable, as hereinbefore provided, but before January 15, 1949, all arrears of rental (with interest upon any overdue instalment at the rate of four per cent. per annum), the expenses and reasonable compensation of the Trustee and all other sums which shall have become due any payable by the Company hereunder or undersaid Lease (other than the principal of Trust Certificates and rental instalents which shall not at the time have

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matured according to their terms) shall be paid by the Company before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance, or performance of any covenant or condition of this Agreement or said Lease shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the bearers or registered holders of a majority in principal amount of the Trust Certificates then outstanding and which shall not have then matured according to their terms, shall, by written notice to the Company, waive the default by reason of which the principal of the Trust Certificates shall have been declared and bcome due and the consequences of such default, butno such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act against the Company or in respect to the Trust Equipment, on the part of the Trustee or on the part of any bearer or registered holder of any Trust Certificate or dividend warrant, nor any delay or indulgence granted to the Company by the Trustee or any such bearer or registered holder, shall affect the obligations of the Company under this Agreement or under said Lease or under its guaranty.

ARTICLE VI.

Upon request of the bearers or registered holders of all outstanding Trust Certificates at the time unmatured and upon presentation of Trust Certificates for that purpose, in such amount as such bearers or registered holders shall determine, together with (in the case of definitive Trust Certificates), all unmatured dividend warrants appurtenant thereto, the Trustee shall stamp upon each of said Trust Certificates the following words:

Deferred Certificates

For value received and as an inducement to purchasers of Trust Certificates not stamped as deferred, the bearer or registered holder of this Trust Certificate has caused the same to be stamped pursuant to Article VI of the Agreement mentioned in this Trust Certificate, and, as provided in said Article VI, the Trust Certificates not stamped as deferred shall be payable in preference and priority to the Trust Certificates stamped as deferred out of any moneys received or collected by the Trustee under said Agreement upon enforcement of its rights or remedies in case of a default of the Company thereunder,

and shall stamp on each dividend warrant appurtenant to any Trust Certificate so stamped the following words:

The certificatee herein described has been stamped pursuant to Article VI of the Agreement therein referred to.

Upon stamping such Trust Certificates as aforesaid the Trustee shall execute and shall keep in its office in the City of Philadelphia, State of Pennsylvania, a certificate specifying and describing the Trust Certificates so stamped and the bearer or registered holder of any of the Trust Certificates issued hereunder shall be entitled to inspect such certificate at all reasonable times.

An appropriate stamp shall also, if so requested, be placed by the Trustee on any or all Trust Certificates not so defered which are presented for the purpose, to indicate the preference and priority of such Trust Certificates and the deferment of other Trust Certificates.

In case any of the Trust Certificates shall have been stamped as aforesaid, any and all moneys which shall be received or collected by the Trustee upon enforcement of any of

its rights or remedies upon default of the Company and which shall be applicable to the payment of the Trust Certificates and dividend warrants then outstanding shall be applied by the Trustee as provided in Article V hereof, except that no part of any such moneys shall be applied to make any payment on account of any Trust Certificate so stamped as deferred, or any dividend warrant appurtenant thereto, until all amounts then due and payable in respect of all outstanding Trust Certificates and dividend warrants not so stamped as deferred shall have been paid or moneys set aside for the payment thereof.

The purpose of this Article VI, as aforesaid, is to make suitable provision enabling the bearers or registered holders of said Trust Certificates to induce purchases of preferred certificates by making the same payable in preference and priority to deferred certificates out of any moneys received or collected by the Trustee upon enforcement of its rights or remedies in case of default of the Company. The stamping of Trust Certificates and dividend warrants as deferred shall operate as an agreement binding upon the bearers and registered holders of such Trust Certificates and dividend warrants and upon the Trustee; but neither such stamping nor anything in this Article VI contained shall in any wise impair or affect any obligation of the Company or any right, title or remedy of the Trusttee under the provisions of the Lease or this Agreement, or the liability of the Company under its guaranty endorsed on the Trust Certificates.

The Trustee and the Company will, upon written request of the bearers or registered holders of all the Trust Certificates then unmatured, execute such supplemental agreement, if any, as may be deemed appropriate in connection with the deferment of any of the Trust Certificates, provided that any such supplemental agreement shall be in form satisfactory to the Trustee and shall not increase the obligations and liabilities of the Company hereunder, except to the extent of the cost of recordation thereof and the cost of preparing and issuing definitive preferred and deferred Trust Certificates or of stamping Trust Certificates.

If so specified in any such request such supplemental agreement may provided for a form of stamp different from that herein set out, or for the issue of definitive Trust Certificates in two forms, one preferred, and one deferred, and (if definitive Trust Certificates have thereto been issued) the exchange of such new definitive Trust Certificates therefore, all as may be provided in such supplemental agreement.

ARTICLE VII.

Section 1. The Trustee hereby covenants and agrees, so far as reasonable possible, to perform, and to enforce the performance of, all and singular the terms, conditions and covenants of said Lease including without limitation, the marking of the Trust Equipment.

Section 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivisions (b), (c), (d) and (e) of Article First of said Lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the necessary, and reasonable expenses of the trust including all expenses connected with the Trust Equipment and said Lease thereof;

(b) to the payment of any and all taxes, assessments and other governmental charges upon the income or property of the trust, or the agreements evidencing the same, which the Trustee may be required to pay, and of any and all taxes, assessments and other governmental charges (other than Federal income taxes) which the Trustee may be required to pay or to retain from the principal of the Trust Certificates or from the dividends payable thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania;

(c) to the payment of the dividends payable on the Trust Certificates when and as the same shall become payable; and

(d) to the payment of the principal of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof.

Section 3. The Trustee shall cause to be kept, at an agency in the Borough of Manhattan in the City and State of New York, books for the registration and transfer of the Trust Certificates and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, and under such reasonable regulations as it may prescribe, any of the Trust Certificates. The Trustee, at all times until the payment of the principal of all the Trust Certificates, shall keep an agency in the Borough of Manhattan in the City and State of New York, where the Trust Certificates and dividend warrants may be presented for payment. Such agency may be at the office of the Company in said Borough, City and State.

Section 4. The Trustee assumes no liability for anything other than its own wilful default, misconduct or gross neglect, or that of its officers. It shall be required to undertake no act or duty in the way of taking care of or taking possession of the Trust Equipment until fully secured against all liability and expense. No duty of insurance or of repairs or of protection of any of the Trust Equipment is incumbent upon it, nor shall it be responsible for the filing, refiling, recording or re-recording of this Agreement or of said Lease; and the Trustee may issue and deliver Trust Certificates in advance of such filing or recording.

The Trustee shall incur no liability or responsiblity by reason of its delivery of temporary Trust Certificates and/or its application of Deposited Cash, from time to time and in varying amounts, prior to the completion and delivery of the Trust Equipment or any thereof, and/or prior to the final certification to it of the cost and/or the financing value of the Trust Equipment, provided such delivery and/or appliction is made in accordance with the provisions of this Agreement.

The Trustee may exercise its powers and perform its duties by or through such attorneys, agents and servants as it shall appoint, and it shall be entitled to the advice of counsel (who may, in cases deemed by the Trustee, in its reasonable discretion, to be appropriate, be of counsel for the Company), and shall be protected by the advice of such counsel in anything done or omitted to be done by it in accordance with such advice. The Trustee shall not be liable or responsible for the neglect, default or misconduct of any attorney, agent or servant appointed and retained by it in the exercise of reasonable care, but nothing in this sentence contained shall limit any liability of the Trustee, pursuant to the first sentence of this Section 4, for acts, neglects or defaults of its officers.

Section 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the trusts hereby created unless requested thereunto in writing by the bearers or registered holders of not less than one-quarter in amountof the then outstanding Trust Certificates and upon being satisfactorily indemnified against expense and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default, or to take action without request.

Section 6. No bearer or registered holder of any Trust Certifiate or dividend warrant issued hereunder (other than the bearer or registered holder of all Trust Certificates at the time outstanding) shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trust hereby created unless, after the aforesaid

request in writing by the bearers or registered holders of not less than one-quarter in amount of the then outstanding Trust Certificates shall have been made upon the Trustee, indemnity satisfactory to it provided, and a reasonable time elapsed for action by the Trustee upon such request, it shall decline to institute any proceedings pursuant thereto.

Section 7. The Trustee may, for all purposes, conclusively assume that the Company is not in default under the terms hereof until notified in writing to the contrary by the bearers or registered holders of at least one-tenth in amount of the Trust Certificates then outstanding, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee

Section 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant, receipt, request or other paper or instrument believed by it to be genuine or authentic, and to be signed by the proper party or parties.

Section 9. The Trustee will allow interest upon all moneys received by it under the provisions of this Agreement or of said Lease at the rate generally prevailing among Philadelphia trust companies or allowed by it upon deposits of a similar character.

Section 10. The Trustee shall, at least once in each year, if requested, render to the Company a statement of its said trust and of the accounts relating therto, and covering such matters as the Company may properly require, and the Vendors and the Company or either of them may from time to time examine the books and accounts of the Trustee relating to the Trust Certificates and said Lease, to this Agreement and to the acts of the Truste hereunder.

Section 11. The Trustee may resign and be discharged from the trusts created by this Agreement by mailing to the Company and to registered holders of the Trust Certificates then outstanding, at their addresses appearing on the registration books, notice in writing of such resignation, specifying a date when it is desired that such resignation shall take effect. A copy of such notice shall be published at least once in each of three successive calendare weeks prior to the date specified in such notice, on any day or days of the week in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York, and in one such newspaper published and of general circulation in the City of Philadelphia, Pennsylvania. Such resignation shall take effect immediately upon, but not prior to, the appointment of, and acceptance of the trustby, such successor trustee, as hereinafter provided, whether on, prior to, or subsequent to, the date stated in said notice of resignation.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee and executed by the bearers or registered holders of a majority in principal amount of the Trust Certificates at the time outstanding.

Section 12. In case at any time the Trustee shall resign or shallbe removed or otherwise shall become incapable of acting, a successor may be appointed by the bearers or registered holders of a majority in principal amount of the Trust Certificates at the time outstanding, by an instrument or concurrent instruments signed by such bearers or registered holders or their attorneys in fact duly authorized; but until a new trustee shall be appointed by such bearers or registered holders as herein authorized, the Company, by an instrument executed under its corporate seal, shall appoint a trustee to fill such vanancy. Every such successor trustee, whether appointed by the bearers or registered holders of the Trust Certificates or by the Company, shall always be a trust company or bank having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York and having an office either in the City of Philadelphia, Pennsylvania, or in the Borough of Manhattan in the City and State of New York, and having a capital and

surplus aggregating at least five million dollars. After any such appointment by the Company, it shall cause notice of such appointment to be published once a week in each of four successive weeks in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York, and in one such newspaper published and of general circulation in the City of Philadelphia, Pennsylvania: but any new trustee so appointed by the Company shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the bearers or registered holders of a majority in principal amount of the Trust Certificates at the time outstanding.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act shall, on the written request of such successor trustee, assign and transfer the trust estate or cause the trust estate to be assigned and transferred to the successor trustee, and shall thereupon be entitled to the payment of its charges and expenses theretofore incurred. Upon request of such successor trustee, the Company shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all the right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Company.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, provided such corporation shallbe a corporation having power so to act and organized under the laws of the United States of America, the Commonwealth of Pennsylvania or the State of New York, and shall do business in the City of Philadelphia, Pennsylvania, or the borough of Manhattan in the City and State of New York, and have a capital and surplus aggregating at least five million dollars, shall be the successor trustee under this agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VIII.

In case of the death of either of the Vendors, the other Vendor shall have and discharge all the powers of the Vendors. In case of the death or inability to act of both of the Vendors, the Trustee shall receive and distribute or pay for the account of the original Vendors, to the parties entitled to receive the same from the original Vendors, all Trust Certificates issuable or Deposited Cash or other moneys payable to the original Vendors by the Trustee hereunder. Any action taken by either of the Vendors shall have the same force and effect as if taken by both of them. The Vendors shall incur no liability hereunder, or under any bill of sale, guaranty or warranty executed by them as herein provided, for anyrhing other than their own wilful default, misconduct or gross neglect. The Vendors shall be entitled to the advice of counsel (who may in appropriate cases be of counsel for the Company) and shall be protected by the advice of such counsel in anything done or omitted to be done by them in accordance with such advice.

ARTICLE IX.

No recourse under any obligation, covenant or agreement of this Agreement, or under the guaranty of the Company, respecting any Trust Certificate or dividend warrant issued

hereunder, shall be had against any stockholder, officer or director, as such, of the Company, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that this Agreement, said Lease and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors, as such, of the Company, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement, said Lease or the guaranty of the Company respecting any of the Trust Certificates or dividend warrants issued hereunder, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director, as such, is hereby expressly waived as a condition of and consideration for the execution of this Agreement and the issue of such Trust Certificates and dividend warrants.

ARTICLE X.

Any request or other instrument required by this Agreement to be signed or executed by bearers or registered holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such bearers or registered holders in person or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz:

(a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or of any other officer authorized to take, either within or without the Commonwealth of Pennsylvania or the State of New York, acknowledgments of deeds to be recorded in either of said States or in the State where the acknowledgment may be taken, certifying that the persons signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution;

(b) the amount of Trust Certificates held by any person executing any such request or other instrument as a Certificate holder, and the serial numbers of the Trust Certificates held by such person and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary wheresoever situated whose certificate shall be deemed by the Trustee to be satisfactory, showing that, at the date therein mentioned, such person had on deposit with such depositary, or exhibited to such depositary, the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such deposit or holding unless and until it receives proof satisfactory to it to the contrary.

ARTICLE XI.

At ther termination of said Lease to the Company, any moneys remaining in the hands of the Trustee, after paying the principal of and dividends upon the Trust Certificates, and the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company.

ARTICLE XII.

Nothing in this Agreement, expressed or implied, is intended or shall be construed to

confer upon, or to give to, any person, firm or corporation other than the parties hereto and the bearers and registered holders of the Trust Certificates and the bearers of the appurtenant dividend warrants, any right, remedy or claim, under or by reason of this Agreement, or of any term, covenants or condition thereof, and all of the terms, covenants conditions, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the bearers and registered holders of the Trust Certificates and the bearers of the dividend warrants.

ARTICLE XIII.

The term "Trustee" as used herein and in said Lease shall be held and construed to mean Fidelity-Philadelphia Trust Company, its successors and assigns; and the work "Company" herein, to mean and include the party of the third part, its successors and assigns. The term "Trust Equipment" whenever used herein or in said Lease, unless otherwise indicated by the context, is intended to include all railroad equipment at any time covered by said Lease or any supplemental lease or this Agreement or required or intended so to be. The term "Trust Certificate" or "Trust Certificates", whenever used herein or in said Lease, includes, unless the context otherwise indicates, both temporary and definitive certificates. The term "state" whenever used herein or in said Lease shall include the District of Columbia.

Whenever, under the provisions hereof, it is necessary or proper for any notice or demand to be given to or made upon the Company, or if at any time it is desired to give any such notice or make any such demand, such notice or demand may be given or made to the Company by depositing a written statement thereof, securely enclosed in a postpaid wrapper, in the United States registered mail, directed to the Company at Philadelphia, Pennsylvania, and an affidavit by any person representing or acting on behalf of the Trustee as to such mailing having the registry receipt or certificate attached, shall be conclusive evidence of the giving of such notice and the making of such demand.

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

IN WITNESS WHEREOF the parties of the first part have hereunto set their hands and seals, and the parties of the second and third parts have caused their names to be signed hereto by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

EDWIN W. BAINBRIDGE (L. S.)

CHARLES McCALL (L. S.)

FIDELITY-PHILADELPHIA TRUST COMPANY,

By T. E. FRAME

Vice-President.

(Corporate)
( )
(Seal)

Attest:

H. W. WOODWARD

Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,

By A. J. COUNTY

VICE-PRESIDENT

(Corporate)
( )
(Seal)

Attest:

J. TANEY WILLCOX

Secretary.

or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the bearers of the Trust Certificates.

Sixth. The Railroad Trustees, so long as they shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned by them or operated by them under lease or otherwise, or over which they have trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned or controlled by the Railroad Trustees, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Railroad Trustees, but only upon and subject to all the terms and conditions of this Lease.

The Railroad Trustees will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Railroad Trustees shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of their possession or control, any of the Trust Equipment. A transfer to a receiver or receivers or to a railroad company acquiring not less than 75 per cent of the owned lines of railroad of the Railroad Trustees, and who or which shall assume and agree to perform each and all of the obligations and covenants of the Railroad Trustees hereunder and under said Agreement, as provided in Article VIII of said Agreement, shall not be deemed a breach of this covenant.

Seventh. In case the Railroad Trustees

(1) shall make default in the payment of any part of said rent and such default shall continue for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of their rights or interest in, or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, or any thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the actual cost of the Trust Equipment so assigned or transferred or sub-leased, or the possession of which shall have been so parted with, as certified to the Trustee pursuant to Section 4 of Article I of said Agreement (any sum so deposited to be returned to the Railroad Trustees upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Railroad Trustees of such Trust Equipment in good condition, subject to ordinary usage), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement

on their part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee may, and upon the request in writing of the bearers of not less than 20 per cent in principal amount of the Trust Certificates at the time outstanding shall, declare this Lease terminated. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided. Upon the happening of an event of default, the Trustee may also, by its agents, enter upon the railroads and premises of the Railroad Trustees and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as it may deem necessary or desirable to perform and fulfill the trusts under said Agreement, at public sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Railroad Trustee shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Railroad Trustees; and no payments theretofore made by the Railroad Trustees for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of defualt and such taking possession, withdrawal, lease or sale by the Trustee, give to the Railroad Trustees any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owner of interests in said Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Railroad Trustees of rentals then or thereafter due and payable, and the Railroad Trustees shall be and remain liable for the same, until such sum shall have been realized as with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment infull of all the various items mentioned in subdivisions (a), (b), (c), (d), (e), (f) and (g) of Article First hereof, whether they shall have then matured or not.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Railroad Trustees, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Railroad Trustees, for the delivery of the Trust Equipment to it, the Railroad Trustees will, at their own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or be drawn to such

point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad or premises of the Railroad Trustees until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Railroad Trustees agree to furnish without charge the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Railroad Trustees requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity, and may be exercised from time to time and as often and in such order as may be deemed expedient by the Trustee. No delay or omission of the Trustee in the exercise of any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of such event of default or an acquiescence therein.

If the Trustee shall exercise any of the powers or remedies conferred upon it hereunder, the Railroad Trustees shall have the right, after all rentals and other sums due hereunder to the Trusteee shall have been received by the Trustee to require title to such of the Trust Equipment as shall not previously have been others to be transferred and assigned by the Trustee to sold, assigned, transferred or otherwise disposed of by the Trustee to the Railroad Trustees free from any further liabilities or obligations to the Trustee hereunder. Of after applying all sums of money received by the Trustee in the exercise of such powers or remedies there shall remain any amount due to the Trustee under the provisions of this Lease, the Railroad Trustee hereby agree to pay to the Trustee the amount of such deficiency. If after applying as aforesaid all sums so received by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Railroad Trustees.

Eighth. The Railroad Trustee covenant that prior to the delivery to them of any of the Trust Equipment covered thereby, they will cause this Lease and said Agreement, and thereafter from time to time any and all supplemental leases and agreements which may be executed pursuant to the terms hereof and of said Agreement, to be duly filed, registered or recorded and duly refiled, reregistered and rerecorded in each and every jurisdiction required by law, in order to publish notice of and to protect the Trustee's title to the Trust Equipment and any additions or replacements, and from time to time will perform any other act required by law, and will execute any and all further instruments that reasonably shall be requested by the Trustee for such publication and protection of such title.

Ninth. Until they shall discharged all their obligations under this Lease, the Railroad Trustee shall pay all cost, charges and expenses incident to the performance of all terms and conditions of this Lease and said Agreement on their part to be performed, including, without limiting the generality of the foregoing, all recording and registration taxes and fees, and all expenses incident to the preparation,

execution, acknowledgment, filing, refiling, registering reregistering, recording and rerecording of this Lease and said Agreement and of any instrument of further assurance, and all stamp taxes and other taxes, duties, imposts, assessments, charges, fines and penalties of any kind imposed upon this Lease, said Agreement or the Trust Equipment or the manner of operation thereof, and shall keep the Trust Equipment and all replacements thereof free from any liens which would be an encumbrance upon the Trustee's title thereto.

Tenth. Reference is hereby made to the provisions of Article VIII of said Agreement dated as of August 1, 1937. All of the provisions of said Article VIII shall apply to and be deemed a part of this Lease

Eleventh. This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

Twelfth. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Trustee, acting in accordance with the terms and condiions of said Agreement, and the Railroad Trustees, pursuant to order of said Court, have caused these presents to be duly executed, as of the day and year first above written.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,
Trustee,

By F. E. MUSGROVE
Vice-President

(Corporate Seal)

Attest:

E. B. STOFFT
Assistant Secretary.

Signed, sealed and delivered by
Continental Illinois National
Bank and Trust Company of Chicago
in the presence of:
E. J. FRIEDRICH
R. W. GROVZKEY
Attesting Witnesses.

HENRY A. SCANDRETT (L.S.)
WALTER J. CUMMINGS (L.S.)
GEORGE I. HAIGHT (L.S.)
As Trustee of the property of Chicago
Milwaukee, St.Paul and Pacific Railroad
Company, but not individually.

Signed, sealed and delivered by
Henry A. Scandrett, Walter J
Cummings and George I. Haight,
in the presence of:
W. A. Dietze
Howard A. Florus
Attesting Witnesses.

State of Illinois,)
)ss
County of Cook.)

I, H. J. GROENER a Notary Public in and for the State and County aforesiad, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County do hereby certify that on this 7th day of September, 1937, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument the within named F. E. MUSGROVE and E.B. STOFFT, each to me personally known and known to me to be, respectively, a Vice-President and an Assitant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instruments as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. MUSGROVE and E. B. STOFFT, being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. MUSGROVE resides in Chicago, in the State of Illinois, and that said E. B. STOFFT resides in ~~Northbrook~~ Park Ridge in the State of Illinois, that said F. E. MUSGROVE is a Vice-President and said E. B. STOFFT is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that they, said F. E. MUSGROVE, Vice-President, and E. B. STOFFT, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed, the foregoing instrument in their respective capacities as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therin stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said coporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires April 29, 1940

H. J. GROEVER
Notary Public in and for
the State of Illinois,
County of Cook.

(Notarial)
( )
(Seal)

STATE OF ILLINOIS)
)ss.
COOK COUNTY.)

I. MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. GROEVER whose name is subscribed to the proof of acknowledgement of the annexed

instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8 day of Sept., 1937.

MICHAEL J. FLYNN County Clerk

STATE OF ILLINOIS)
)ss.
COUNTY OF COOK.)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgements and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 7th day of September, 1937, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwuakee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustee in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings and George I Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustee, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires June 7, 1939.

R. W. SPANGENBERG
Notary Public in and for
the State of Illinois, County
of Cook.

(Notarial)
( )
(Seal)

STATE OF ILLINOIS,)
)ss
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificate of magistracy, that R. W. SPANGENBERG whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements

or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of Sept. 1937.

MICHAEL J. FLYNN, County Clerk.

AGREEMENT

Dated As Of August 1, 1937

V. P. NELSON AND PAUL B. ROBB,

Vendors

With

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

And

HENRY A. SCANDRETT, WALTER J. CUMMINGS, And GEORGE I. HAIGHT,

Trustees of the Property of

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

THIS AGREEMENT, dated as of August 1, 1937, by and between V. P. NELSON and PAUL B. ROBB (hereinafter called the Vendors), of the first part, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, (hereinafter called the Trustee), as Trustee, of the second part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the Property of CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter called the Railroad Trustees), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted or will contract to acquire the railroad equipment (which together with the additional equipment and replacements as in the Lease and this Agreement provided are hereinafter called the Trust Equipment) specifically described in the Lease of Railroad Equipment from the Trustee to the Railroad Trustees prefixed to this Agreement, to which Lease reference is hereby made; and

WHEREAS, subscriptions have been or are being secured, in an amount not exceeding $1,920,000 to a fund to be known as Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R, which said fund is to be deposited with the Trustee and applied by Vendors or upon their written order in part payment on account of the cost of the Trust Equipment; and

WHEREAS, the Vendors desire to secure to the subscriber or subscribers to said fund, or their assigns, the payment of the amount thereof in fifteen annual instalments, payable respectively on August first, in each year, from 1938 to 1952, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively as hereinafter provided; and to evidence the rights of the subscriber or subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth; and

WHEREAS, Henry A. Scnadrett, Walter J. Cummings and George I. Haight have been duly appointed Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company by order of the District Court of the United States for the Northern District of Illinois, Eastern Division, in a proceeding pending in said Court entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific

Railroad Company, Debtor", In Proceedings for the Reorganization of a Railroad, No. 60463, and said appointment has been duly ratified by order of the Interstate Commerce Commission, and the Railroad Trustees have duly qualified as such and are now in possession of and operating the properties of said Railroad Company pursuant to the provisions and directions contained in orders of said Court, and

WHEREAS, the Railroad Trustees are desirous of securing the use of the Trust Equipment upon and in connection with the properties of Chicago, Milwaukee, St. Paul and Pacific Railroad Company; and

WHEREAS, by order of the said Court dated August 31, 1937, the form and terms of this Agreement and of said Lease hereto annexed were approved by said Court and the Railroad Trustees were duly authorized and directed to execute and deliver this Agreement and said Lease, to cause the Trust Certificates to be issued and to guarantee the same as herein provided, and otherwise to make and carry out the covenants and agreements on their part herein and in said Lease contained; and

WHEREAS, the Railroad Trustees represent that all things necessary to make the guaranty of the Railroad Trustees as endorsed upon the Trust Certificates, when said Certificates shall be issued by the Trustees under this Agreement, the binding, valid and legal obligation of the Railroad Trustees, as herein provided, and to make this Agreement and said Lease a valid, binding and legal agreement and lease, respectively, have been done and performed;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The Vendors hereby agree to acquire and cause to be sold, assigned, transferred and set over, and do hereby sell, assign, transfer and set over, unto the Trustee, as trustee for the bearers of the Trust Certificates hereinafter described, the Trust Equipment described or referred to in said Lease prefixed hereto when and as the Trust Equipment or any part thereof is constructed or completed or otherwise acquired. The Vendors will deliver, or cause to be delivered, the Trust Equipment or any part thereof when and as constructed or completed to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers or agents of the Railroad Trustees, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Railroad Trustees, simultaneously with the execution of this Agreement, have executed and delivered said Lease of all the Trust Equipment.

SECTION 2. The Trustee shall at any time, or from time to time, upon written request of the Vendors, without waiting for the recording, registration or filing of this agreement, or of any lease of or other instrument respecting the equipment subjected to this Agreement execute and deliver to the subscriber or subscribers to said fund, as specified in such request, certificates to be known as Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust Certificates, Series R, herein called the Trust Certificates, upon the deposit in cash with the Trustee of a sum equal to the principal amount and accrued dividends to date

of delivery of the Trust Certificates the execution and delivery of which shall be so requested and not less than the net proceeds of the sale of said Trust Certificates.

Any interest allowed by the Trustee upon any moneys so deposited shall be added to said fund and become a part of the Deposited Cash to be disposed of as hereinafter provided. All moneys paid to the Trustee as accrued dividends upon the original issuance and delivery of any Trust Certificates shall be held by the Trustee until the next ensuing dividend payment date, and thereupon shall be applied by the Trustee to the payment of any dividends then due, as if such moneys were paid to the Trustee by the Railroad Trustees as rent pursuant to Article First of said Lease for application as in subparagraph (e) thereof provided.

SECTION 3. The term Deposited Cash, whenever used herein, shall mean and include (a) the cash deposited with or to the credit of the Trustee constituting said fund, or a part thereof, as in Section 2 of this Article I provided (including any interest allowed thereon, but excluding any accrued dividends paid upon the original issuance of Trust Certificates), (b) all installments of rental paid pursuant to subdivisions (a) and (b) of Article First of said Lease. The Deposited Cash shall, until paid out by the Trustee as herein provided, be held in trust for the benefit of the bearers of the Trust Certificates. Thereafter, from time to time, when and as any of the Trust Equipment shall have been delivered to the Trustee, the Trustee shall pay to the Vendors, or upon their order, out of the Deposited Cash, an amount equal to the cost of the equipment so delivered to the Trustee, such cost to be conclusively established (subject to the provisions of Section 4 of this Article I) by the certificate in writing of the Railroad Trustees or their duly designated representative, delivered to the Trustee prior to or contemporaneously with such payment.

SECTION 4. The Trustee shall not pay out any Deposited Cash as provided by Section 3 of this Article I, against the delivery of any of the Trust Equipment unless and until it shall have received:

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment specified by numbers in such certificate has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a certificate of the Railroad Trustees, signed by one of said trustees, or the officer in charge of finance, accounting and real estate or the comptroller of the Railroad Trustees, certifying that the cost of such Trust Equipment, determined as provided in said Lease, is the amount therein specified;

(c) a bill or bills of sale of such Trust Equipment from the Vendors to the Trustee, containing or accompanied by a warranty or guaranty of the Vendors or the manufacturers to the Trustee that the title to the Trust Equipment described therein is free from any liens or encumbrances; and

(d) an opinion of counsel satisfactory to the Trustee that such bill or bills of sale and deliveries are valid and effective, either alone or in connection with any other instrument executed in connection therewith, to vest in the Trustee, free from all liens and encumbrances, the

title so transferred to the Trustee.

Any such certificate or certificates as to cost may state that the cost of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment, and in that case, adjustments may be made by certificates thereafter filed. A final certificate, signed as provided in paragraph (b) above, as to the cost of all the Trust Equipment shall be delivered to the Trustee by the Vendors not later than November 1, 1938.

SECTION 5. Anything in this Article contained to the contrary notwithstanding, the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the principal sum of $1,920,000 at any one time outstanding (subject, however, to the provisions of Section 6 of Article II of this Agreement).

SECTION 6. Any moneys held by the Trustee after delivery of and payment for all of the Trust Equipment, the disposition of which is not herein or in said Lease otherwise provided for, shall be credited against the next installment of rental payable under Section (f) of Article First of said Lease.

ARTICLE II.

SECTION 1. Each of the definitive Trust Certificates shall represent an interest in the amount of One thousand Dollars ($1,000) in the trust of the Trust Equipment hereby created, and the bearer of any trust certificate, whether definitive or temporary, shall be entitled to receive dividends on said amount at the rate of $3\frac{3}{4}$ per cent per annum from August 1, 1937, payable semi-annually on the first day of February and August in each year. $128,000 principal amount of the Trust Certificates shall become due and payable on August 1 in each year from 1938 to 1952, both inclusive. Each of said Trust Certificates shall have endorsed thereon the guaranty of the Railroad Trustees in the form hereinafter set forth.

The due date of each Trust Certificate shall appear on its face. The definitive Trust Certificates shall be numbered from 1 consecutively upward to 1920, both inclusive.

Dividend warrants evidencing the right of the holders of the Trust Certificates to the dividends thereon shall be annexed to the respective definitive Trust Certificates. All dividends on the respective Trust Certificates shall cease after the principal thereof shall have become due.

Trust Certificates if temporary may be printed and if definitive shall be lithographed or engraved.

SECTION 2. The definitive Trust Certificates, the dividend warrants to be annexed thereto and the guaranty to be endorsed thereon by the Railroad Trustees as hereinafter in Article III provided shall be in substantially the following forms:

(Form of Trust Certificate)

No. $1,000

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC EQUIPMENT TRUST, SERIES R

Total Issue not to exceed $1,920,000

Dividends at the Rate of $3\frac{3}{4}$ Per Cent per Annum.

Payable February 1 and August 1.

Continental Illinois National Bank and Trust Company

of Chicago,

Trustee.

Principal Hereof Due August 1, 19.....

Continental Illinois National Bank and Trust Company of Chicago, as Trustee under an Agreement dated as of August 1, 1937 (hereinafter referred to as the "Agreement"), between V. P. Nelson and Paul B. Robb, of the first part, Continental Illinois National Bank and Trust Company of Chicago, Trustee (hereinafter referred to as the "Trustee"), of the second part, Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, (hereinafter referred to as the "Railroad Trustees"), of the third part, hereby certifies that the bearer is entitled to an interest of One Thousand Dollars in Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R, payable on August 1, 19___, unless prior payment hereof be required as hereinafter provided, and to dividends thereon at the rate of three and three-quarters per cent ($3\frac{3}{4}\%$) per annum from August 1, 1937, to said date of maturity, payable semi-annually on February first and August first in each year, but only upon presentation and surrender as they severally mature of the dividend warrants hereto attached, both principal and dividends being payable at the office of the Trustee in the City of Chicago and State of Illinois, or at the agency of the Trustee in the Borough of Manhattan, in the City and State of New York, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which the Railroad Trustees or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America, or of any State, county, municipality or other lawful taxing authority therein, but only from and out of rentals or other moneys received by the Trustee from a certain Lease of Railroad Equipment made by Continental Illinois National Bank and Trust Company of Chicago, Trustee, to the Railroad Trustees, dated as of August 1, 1937.

This certificate is one of an issue of certificates, in bearer form, in an aggregate principal amount not exceeding $1,920,000, substantially identical except as to dates of maturity, all issued or to be issued under said Agreement. The terms of the Agreement further provide that said railroad equipment (or deposited cash in lieu thereof as provided in said Agreement) and said Lease thereof are to be held by the Trustee in trust for the benefit of the bearers of said certificates. Reference is hereby made to said Agreement and Lease, filed with the Trustee at its office in the City of Chicago, for a further statement of the rights of the bearers of said certificates thereunder.

This certificate, together with all accrued dividends thereon, shall

immediately become due and payable on the date of the confirmation of a plan of reorganization of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or upon the dismissal or termination of the court proceedings pursuant to which the Railroad Trustees are acting as such Trustees, if neither said Railroad Company nor any other corporation, nor receiver or receivers in equity, shall alone succeed to the possession of 75% of all the owned lines of railroad comprised in the Estate of said Railroad Company.

This certificate and the attached dividend warrants are issued subject to the condition, and every holder of this certificate or of any such dividend warrants, by accepting the same, agrees with every subsequent holder hereof and with the Trustee and The Railroad Trustees, that delivery of this certificate or any such dividend warrant by any bearer shall vest title to, and all rights under, the same in the transferee to the same extent for all purposes as would the delivery under like circumstances of a negotiable instrument payable to bearer and the Trustee and the Railroad Trustees shall be entitled to treat the bearer hereof or the bearer of such dividend warrant, as the case may be, as the absolute owner hereof or thereof, as the case may be, for all purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad Trustees in said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect in said Agreement provided.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and dividend warrants bearing the facsimile signature of one of its Assistant Secretaries to be attached hereto, as of the first day of August, 1937.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee,

By.....
Vice-President.

Attest:

.....
Assistant Secretary.

(Form of Dividend Warrant)

$18.75 No. .....

Due to the bearer hereof on the first day of .....,
19....., on surrender hereof at the office or agency of the undersigned Trustee in the City of Chicago and State of Illinois, or at its agency in the Borough of Manhattan, City and State of New York, Eighteen Dollars and Seventy-five Cents, without deduction for any tax or taxes (other than Federal income taxes) required to be paid or retained as

provided in, and being the semi-annual dividend then due on, certificate No. ..... of Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R, payable only out of rentals received by the Trustee under the Lease referred to in said certificate.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee,

By.....
Assistant Secretary.

(Form of Guaranty)

HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually, for a valuable consideration, hereby unconditionally guarantee to the bearer of the within Certificate, as provided in the Agreement referred to in said Certificate, and subject to the provisions of Article VIII thereof, the prompt payment of One Thousand Dollars, being the principal of said Certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of $3\frac{3}{4}$ per cent per annum on the semi-annual dates mentioned in said Certificate and in the dividend warrants thereunto attached, all in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

HENRY A. SCANDRETT,
WALTER J. CUMMINGS,
GEORGE I. HAIGHT,
As Trustees of the Property of
Chicago, Milwaukee, St. Paul
and Pacific Railroad Company,
but not individually,

By.....
Authorized Agent.

SECTION 3. The Trust Certificates shall be signed in the name and on behalf of the Trustee by one of its Vice-Presidents, and its corporate seal shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. In case any of the officers of the Trustee who shall have signed and sealed any of the Trust Certificates shall cease to be such officers of the Trustee before the Trust Certificates so signed and sealed shall have been issued and delivered by the Trustee, such Trust Certificates shall be adopted by the Trustee and be issued and delivered as though the persons who signed and sealed such Trust Certificates had not ceased to be such officers of the Trustee. The dividend warrants to be thereunto attached shall be authenticated by the facsimile signature of the present or any future Assistant Secretary of the Trustee, and the Trustee may adopt and use for that purpose any such facsimile signature notwithstanding the fact that such Assistant Secretary may have ceased to be such Assistant Secretary at the time when any such Trust Certificate shall

be issued and delivered as herein provided. Before executing and delivering any Trust Certificates the guaranty of the Railroad Trustees shall be duly executed thereon as hereinafter in Section 2 of Article III provided, and all matured dividend warrants thereto appertaining shall be cut off and canceled and delivered by the Trustee to the Railroad Trustees.

SECTION 4. Trust Certificates shall be in bearer form and shall pass by delivery.

Dividends upon the Trust Certificates shall be payable only upon presentation and surrender of the appropriate dividend warrants, or, in the case of temporary Trust Certificates without warrants, only upon presentation of such temporary Trust Certificates for a notation of such payment thereon.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any Trust Certificate and the bearer of any dividend warrant as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment therefor, and for all other purposes, and shall not be affected by any notice to the contrary.

SECTION 5. Temporary printed Trust Certificates, with or without dividend warrants, in such form and denominations as the Trustee may determine, may be issued by the Trustee, having endorsed thereon said guaranty of the Railroad Trustees, which shall be exchangeable, without cost, upon surrender for definitive Trust Certificates, of equal principal amount and of the same maturity or maturities and having endorsed thereon said guaranty of the Railroad Trustees, when the same shall have been prepared. Until such exchange said temporary Trust Certificates shall be entitled to the same benefit of this Agreement in all respects as said definitive Trust Certificates, including the guaranty of payment by the Railroad Trustees.

SECTION 6. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate (and the Railroad Trustees shall execute their guaranty thereon), with all unmatured dividend warrants, if any, appertaining thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, destroyed or stolen, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of and substitution for the same if lost, destroyed or stolen, and make payment of any matured dividend warrants appertaining to the same. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Railroad Trustees evidence to their satisfaction of the loss, destruction or theft of said Trust Certificate or warrants alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate and warrants, and also such security or indemnity as may be required by the Trustee and by the Railroad Trustees in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and warrants and shall preclude any and all other rights and remedies, any law or statute now existing or hereinafter enacted to the contrsry notwithstanding.

ARTICLE III.

SECTION 1. The Railroad Trustees hereby accept and become bound by all the terms of this Agreement, and hereby covenant and agree to make payment of the reasonable compensation and expenses of the Trustee, and of all taxes, assessments and other governmental charges for which Trustee may be liable, and all taxes (other than Federal Income Taxes) which the Trustee or the Railroad Trustees may be required to pay or to retain from the principal of the Trust Certificates or the dividends payable on respect thereof, under any present or future law of the United States or of any State, county, municipality or other lawful taxing authority therein.

SECTION 2. The Railroad Trustees covenant and agree and unconditionally guarantee that the bearer of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for public and private debts, when and as the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, (and, if not so paid, with interest thereon at the rate of $3\frac{3}{4}$ per cent per annum), and shall receive dividends thereon in like coin or currency at the rate of $3\frac{3}{4}$ per cent per annum from August 1, 1937 to the date of maturity of such Trust Certificate, at the times and places and otherwise as expressed in the Trust Certificates and the warrants thereto attached (and if not so paid, with interest thereon at the rate of $3\frac{3}{4}$ per cent per annum); all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which the Railroad Trustees or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America, or of any State, county, municipality or other lawful taxing authority therein, and the Railroad Trustees further covenant and agree to endorse upon each of the Trust Certificates, definitive or temporary, at or before the issue and delivery thereof by the Trustee, their unconditional guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form in Section 2 of Article II hereof provided. Said guaranty so endorsed shall be signed in the name and on behalf of the Railroad Trustees by such officer or officers as shall have been duly authorized by said Railroad Trustees to sign upon their behalf. In case any of the officers of the Railroad Trustees who shall have signed such guaranty shall cease to be such officers of the Railroad Trustees before the Trust Certificates shall have been actually issued and delivered by the Trustee, such guaranty shall nevertheless be as effective and binding upon the Railroad Trustees as though the persons who signed such guaranty had not ceased to be such officers of the Railroad Trustees. The obligations of the Railroad Trustees in respect of their unconditional guaranty of the Trust Certificates hereinbefore provided for are subject to the provisions of Article VIII hereof.

ARTICLE IV.

SECTION 1, The Railroad Trustees covenant and agree that they will promptly pay or cause to be paid or discharged, or make adequate provision for the satisfaction or discharge of, any debt, obligation or claim which, if unpaid, might be or become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Railroad Trustees therein; but this provision shall not require the payment of any such debt, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings unless, in the judgment of the Trustee, such contest would materially endanger the rights or interests of the Trustee or the holders of the Trust Certificates in the Trust Equipment.

SECTION 2. The Railroad Trustees covenant and agree to pay all costs, charges and expenses incident to the performance of all terms and conditions of this Agreement on their part to be performed, including, without limiting the generality of the foregoing, the expenses incident to the preparation, execution and exchange of the Trust Certificates and dividend warrants, including the temporary Trust Certificates, or connected with the preparation, execution, recording, registration and filing hereof or of said Lease or of any instruments executed under the provisions hereof or of said Lease in respect of the Trust Equipment or Lease, or any equipment or parts used to replace any of the same.

SECTION 3. The Railroad Trustees covenant and agree with all convenient speed to cause this Agreement and said Lease and any supplemental leases and agreements which may be executed under the terms of this Agreement or of said Lease, to be duly filed or recorded in all states wherein are situated railroad lines which the Railroad Trustees operate or to which they have title or over which they, as such Railroad Trustees, have trackage rights, or wherein are situated railroad lines of any railroad company a majority of whose capital stock is owned or controlled by the Railroad Trustees, and otherwise as may now or hereafter be provided by law for the full protection of the title and rights of the Trustee and of the holders of the Trust Certificates, so that this Agreement and said Lease and all other such supplemental instruments may at all times be duly filed and recorded.

SECTION 4. The Railroad Trustees covenant and agree from time to time to do all such acts and execute all such instruments of further assurance as they shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and said Lease and the intent thereof.

ARTICLE V.

SECTION 1. In order to prevent any accumulation of Trust Certificates or of dividend warrants after maturity, neither the Trustee nor the Railroad Trustees shall directly or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution therefor shall be issued, and neither the Trustee nor the Railroad Trustees shall directly of indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants,

or for an advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee or the Railroad Trustees, or in case, at or after maturity, any Trust Certificate, dividend or dividend warrant shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Railroad Trustees or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustees or the Railroad Trustees, such Trust Certificate, dividend or dividend warrant shall not be entitled to the benefit of said Lease or of this Agreement, except subject to the prior payment in full of the principal of all other Trust Certificates, dividends and dividend warrants, whether the same be then matured or unmatured.

SECTION 2. In case one or more of the events of default described in Article Seventh of said Lease shall happen, the Trustee in its discretion may, and at the request of the bearers of twenty per cent (20%) in principal amount of the Trust Certificates then outstanding shall, declare the principal of all of the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable. In any such case the Trustee may retake possession of the Trust Equipment or any part thereof and may either hold or lease the same or any part thereof, or dispose of the same or any part thereof in such manner (so far as may be necessary to perform the trusts hereunder), at public sale, for cash or upon credit, as the Trustee may deem most beneficial to the interest of the bearers of said Trust Certificates. Upon the written request of the bearers of twenty per cent (20%) in principal amount of the Trust Certificates at the time outstanding, in case one or more of said events of default shall happen (whether the principal of the Trust Certificates shall have been declared due and payable or not), it shall be the duty of the Trustee upon being indemnified as hereinafter provided to take all steps for the protection and enforcement of its rights and the rights of the bearers of the Trust Certificates, and to exercise one or more of the powers of entry, sale or lease in said Lease conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee being advised by counsel shall deem most expedient in the interest of the bearers of the Trust Certificates; but, anything in this Agreement to the contrary notwithstanding upon indemnity satisfactory to the Trustee the bearers of a majority in principal amount of the Trust Certificates then outstanding shall have the right from time to time to direct what proceedings for any enforcement of said Lease and this Agreement and the sale or lease of the Trust Equipment shall be taken by the Trustee. The proceeds of such proceedings or lease or sale shall be applied by the Trustee to the payment, after deducting the expenses of the trust and reasonable compensation of the Trustee and all taxes, assessments and other governmental charges which the Trustee may by law be required to pay in respect of the trust or the Trust Certificates aforesaid or the dividends thereon:

(1) of the dividends and dividend warrants then due with interest on any overdue dividends and dividend warrants at the rate of $3\frac{3}{4}$ per cent per annum; and

(2) of the principal of all said outstanding Trust Certificates with interest thereon at the rate of 3¾ per cent per annum from the last preceeding dividend date, whether said Certificates or any of them shall then have matured by their terms or not;

all of said payments to be in full, if said proceeds shall be sufficient and if not, then pro rata, without preference of principal over dividends, or of dividends over principal or otherwise (subject, however, to the provisions of Section 1 of this Article V), and without regard to the dates of maturity thereof.

The foregoing provisions, however, are subject to the condition that, if at any time after the principal of the Trust Certificates shall have been declared and have become due and payable, as hereinbefore provided, but before August 1, 1952, all arrears of rental (with interest upon any overdue instalment at the rate of 3¾ per cent per annum), the expenses and reasonable compensation of the Trustee and all other sums which shall have become due and payable by the Railroad Trustees hereunder or under said Lease (other than the principal of Trust Certificates and rental instalments which shall not at the time have matured according to their terms) shall be paid by the Railroad Trustees before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition of this Agreement or said Lease shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the bearers of a majority in principal amount of the Trust Certificates then outstanding and which shall not have been matured according to their terms, shall, by written notice to the Railroad Trustees, waive the default by reason of which the principal of the Trust Certificates shall have been declared and become due and the consequences of such default, and said Lease shall upon such waiver be and continue in full force and effect, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act, against the Railroad Trustees or in respect to the Trust Equipment, on the part of the Trustee or on the part of any bearer of any Trust Certificate or dividend warrant, nor any delay or indulgence granted to the Railroad Trustees by the Trustee or any such bearer, shall affect the obligations of the Railroad Trustees under this Agreement or under said Lease or under their guaranty.

The Railroad Trustees waive presentation and demand in respect of any of the Trust Certificates and dividend warrants and waive notice of presentation and demand and of any default in the payment of principal of and dividends upon the Trust Certificates.

The Trustee may at any time, upon notice in writing to the Railroad Trustees, apply to any court of competent jurisdiction for instructions as to the application and distribution of any funds or property held by it.

ARTICLE VI.

SECTION 1. The Trustee hereby accepts the trust created hereby, subject to the terms and conditions hereof and of said Lease, and hereby covenants and

agrees, so far as reasonable possible, subject to the provisions of Sections 4, 5 and 7 of this Article VI, to perform, and to enforce the performance of, all and singular the terms, conditions and covenants of said Lease.

Section 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivisions (c), (d), (e), (f) and (g) of Article First of said Lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the necessary and reasonable expenses of the trust, including the proper compensation of the Trustee and its counsel for its services and all expenses connected with the Trust Equipment and said Lease thereof;

(b) to the payment of any taxes, assessments and other governmental charges upon the Trust Equipment which it may by law be required to pay; and to the payment of any and all taxes, assessments and other governmental charges (other than Federal Income Taxes) which may by law be charged against the Truste upon the Trust Certificates or the dividends payable thereunder, or which the Trustee may be required to retain or deduct therefrom or to pay thereon under any present or future law of the United States of America, or of any State, county, municipality or other lawful taxing authority therein;

(c) to the payment of the dividends payable on the Trust Certificates and of the dividend warrants appurtenant thereto when and as the same shall become payable;

(d) to the payment of the principal of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof; and

(e) to the payment of interest on any unpaid dividends, dividend warrants or principal at the rate of 3¾ per cent per annum.

Section 3. The Trustee, at all times until the payment of the principal of all the Trust Certificates, shall keep an office or agency in the City of Chicago and State of Illinois and an agency in the Borough of Manhattan in the City and State of New York, where the Trust Certificates and dividend warrants may be presented for payment.

Section 4. The Trustee assumes no liability for anything other than its own willful default, misconduct or gross neglect, or that of its officers or directors. It shall be required to undertake no act or duty in the way of taking care of or taking possession of the Trust Equipment until fully secured against all liability and expenses. The Trustee shall not be liable for the delivery of any of the Trust Equipment, or for any defect therein or in the title thereto of the Trustee, nor shall anything herein be construed as a warranty of the Trustee in respect thereof or as a representation of the value thereof, provided such delivery is made in accordance with the provisions of this Agreement. All representations and recitals contained in this Agreement and in said Lease are made by and on behalf of the Railroad Trustees, and the Trustee shall be in no way responsible therefor, or for any statement contained therein, and the Trustee makes no representations as to the sufficiency of the security purported to be created hereby nor purports to have any knowledge with respect thereto, and the Trustee shall not be responsible in any way for the validity thereof, or of said Lease or of the Trust Certificates or the guaranty thereon or the dividend warrants. No duty of insurance or of repairs or of protection of any of the Trust Equipment is incumbent upon the Trustee, nor shall it be responsible for the filing, refiling, recording or re-recording of this Agreement or of said Lease; and the Trustee may issue and deliver Trust Certificates in advance of such filing or recording.

The Trustee may exercise its powers and perform its duties hereunder and under said Lease by or through such attorneys, agents and servants as it shall appoint and it shall be entitled to the advice of counsel (who may, in cases deemed by the Trustee, in its reasonable discretion, to be appropriate, be of counsel for the Railroad Trustees), and shall be protected by the advice of such counsel in anything reasonable done, or omitted to be done, by it in good faith in accordance with such advice. The Trustee shall not be liable or responsible for the neglect, default or misconduct of any attorney agent or servant appointed and retained by it in the exercise of reasonable care, but nothing in this sentence contained shall limit any liability of the Trustee, pursuant to the first sentence of this Section 4, for acts, neglects or willful defaults of its officers or directors.

Section 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the trusts hereby created unless requested there unto in writing by the bearers of not less than twenty per cent (20%) in principal amount of the then outstanding Trust Certificates, and upon being satisfactorily indemnified against expenses and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default or to take action without request.

Section 6. No bearer of any Trust Certificate or dividend warrant issued hereunder (other than the bearer of all Trust Certificates at the time outstanding) shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trust hereby created unless, after the aforesaid request in writing by the bearers of not less than twenty per cent (20%) in principal amount of the then outstanding Trust Certificates shall have been made upon the Trustee and ninety days' time elapsed for action by the Trustee upon such request, it shall decline to institute any proceedings pursuant thereto.

Section 7. The Trustee may, for all purposes conclusively assume that the Railroad Trustees are not in default under the terms hereof until notified in writing to the contrary by the bearers of at least five per cent (5%) in principal amount of the Trust Certificates then outstanding, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee.

Section 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant, receipt, request or other paper or instrument reasonably believed by it to be genuine or authentic, and to be signed by the proper party or parties and reasonably believed by it to be sufficient.

Section 9. The Trustee, in so far as permitted by law, will allow such interest upon all moneys received by it under the provisions of this agreement or of said Lease as during that time is allowed by it upon deposits of a similar character.

Section 10. The Trustee may resign and be discharged from the trusts created by this Agreement by mailing to the Railroad Trustees, notice in writing of such resignation, specifying a date when it is desired that such resignation shall take effect. Such notice shall be published at least once in each of three successive calendar weeks prior to the date specified in such notice, on any day or days of the week, in two daily

newspapers printed in the English language, one published and of general circulation in the City of Chicago and State of Illinois and the other in the Borough of Manhattan in the City and State of New York. Such resignation shall take effect immediately upon but not prior to, the appointment of and acceptance of the trust by, such successor trustee as hereinafter provided, whether on, prior to, or subsequent to, the date stated in said notice of resignation.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee and executed by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding.

Section 11. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the bearers of a majority in principal amount of the Trust Certificate at the time outstanding by an instrument or concurrent instruments signed by such bearers or their attorneys in fact duly authorized; but until a new trustee shall be appointed by such bearers as herein authorized, the Railroad Trustees, by an instrument executed by one or more of the Railroad Trustees, or their duly authorized agent, shall appoint a trustee to fill such vacancy. If the Railroad Trustees shall fail, within thirty days after receipt of notice that the Trustee has resigned, to appoint a trustee to fill such vacancy, and if a successor trustee shall not have been appointed by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. Every such successor trustee, whether appointed by the bearers of the Trust Certificates or by the Railroad Trustees or by order of court shall always be a trust company or bank having power so to act, shall be a member bank of the Federal Reserve System, or of such system of banks, if any, as may be established in lieu thereof, and organized under the laws of the United States of America, or the State of Illinois and having an office in the City of Chicago and State of Illinois, or the State of New York and having an office in the Borough of Manhattan in the City and State of New York, and having a capital and surplus aggregating at least five million dollars. After any such appointment by the Railroad Trustees or by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding the Railroad Trustees shall cause notice of such appointment to be published once a week in each of four successive weeks in two daily newspapers printed in the English language, one published and of general circulation in the City of Chicago and State of Illinois, and the other in the Borough of Manhattan in the City and State of New York; but any new trustee so appointed by the Railroad Trustees or by a court of competent jurisdiction shall immediately, and without further act, be superseded by a trustee appointed in the manner above provided by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding, provided such appointment is made within a period of one year after the Trustee shall resign, be removed or become incapable of acting.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Railroad Trustees an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act shall, on the

who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings, and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires June 7, 1939.

R. W. SPANGENBERG
Notary Public in and for
the State of Illinois,
County of Cook.

(Notarial)
( )
(Seal)

STATE OF ILLINOIS)
)ss.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. SPANGENBERG whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of Sept. 1937.

(County Of Cook)
(Seal)
MICHAEL J. FLYNN County Clerk

STATE OF ILLINOIS)
)ss.
COUNTY of COOK.)

I DO HEREBY CERTIFY that the United States Internal Revenue Stamps required by law have been affixed to one of the original counterparts of the Agreement and cancelled.

H. J. GROENER
Notary Public in and for the
State of Illinois, County of
Cook.

(Notarial)
( )
(Seal)

STATE OF ILLINOIS)
)ss.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. GROENER whose name is subscribed to the annexed Jurat, was at the time of signing the same, a Notary Public in Cook County, duly commissioned, sworn and acting as such, and

authorized to administer oaths and to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary, and verily believe that the signature to the said Jurat is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of Sept. 1937.

MICHAEL J. FLYNN County Clerk.

(County of Cook)
( )
(Seal)

STATE OF WISCONSIN)
)ss
DEPARTMENT OF STATE)

Received this 9th day of Sept. A. D. 1937 at
11 O'clock A. M. and recorded in Vol. 33 of
R. R. Mortg. & Deeds on pages 235-273 incl.

Robert L. Siebecker
Assistant Secretary of State

RELEASE OF CENTRAL UNION TRUST COMPANY OF NEW YORK
FROM MORTGAGE DATED FEBRUARY 1, 1889
ON CERTAIN REAL ESTATE IN SHOREWOOD, MILWAUKEE COUNTY
SOLD TO THE CAROL INVESTMENT COMPANY
BY THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY.

* * * * * *

KNOW ALL MEN BY THESE PRESENTS.

That THE CENTRAL UNION TRUST COMPANY OF NEW YORK, formerly Central Trust Company of New York, a Corporation of the State of New York, having its principal place of Business in the City, County and State of New York, Trustee, for and in consideration of One Dollar ($1.00) and other good and valuable considerations, the receipt whereof is hereby confessed, does hereby remise, release, convey and quit-claim to CAROL INVESTMENT CO. A Wisconsin Corporation, of Milwaukee, Wisconsin, all right, title, interest, claim and demand whatsoever it may have acquired in, through or by a certain Mortgage bearing date February 1, 1889, executed by Milwaukee, Lake Shore and Western Railway Company, a corporation, as Mortgagor, which mortgage was recorded in the office of the Secretary of State of Wisconsin in Volume VIII of Railroad Mortgages and Trust Deeds on Page 330 et seq. in and to the following described premises, situated in the Village of Shorewood, Milwaukee County, Wisconsin, to-wit:

That part of the West twenty (20) chains of the South Seven and Fifty One-hundredths (7.50) chains of the Northeast quarter of Section Four (4) in Township Seven (7) North, Range Twenty-two (22) East, which lies South of the South line of Block Nineteen (19) of Glendale Investment Association Subdivision Number One and East of a line drawn parallel with and one hundred and twenty-seven (127) feet West of the West line of Woodburn Street in said Village of Shorewood, subject to the Public Easements in Woodburn Street and in Morris Boulevard (formerly Ash Street) as the same have been heretofore dedicated to the Public by the Chicago and North Western Railway Company.

Containing (exclusive of said Woodburn Street and said Morris Boulevard) four and two hundred seventy-nine one-thousandths (4.279) acres, more or less.

This Release is executed upon the written request of the CHICAGO AND NORTH WESTERN RAILWAY COMPANY, as the successor in interest of and as the owner of all of the Railroad, Rights, Franchises and Property of every kind or nature whatsoever of the said Milwaukee, Lake Shore and Western Railway Company, approved by Resolution of its Board of Directors in pursuance of the power and authority vested in said Trustee by the provisions of Article Four of said Mortgage, said Railway Company having sold and conveyed the property so released to said CAROL INVESTMENT CO. and upon proper certificate that the said property hereinbefore described is not used in connection with the operation of the CHICAGO AND NORTH WESTERN RAILWAY COMPANY, that it is not occupied by tracks and that it is not necessary or expedient for said Railway Company to retain title thereto.

IN WITNESS WHEREOF THE CENTRAL UNION TRUST COMPANY OF NEW YORK has caused these presents to be executed in its Corporate Name by its Vice President and its Corporate Seal to be hereunto affixed and attested by its Secretary this 23rd day of April, A.D., Nineteen Hundred and Twenty-eight.

(SEAL)

THE CENTRAL UNION TRUST COMPANY OF NEW YORK
BY F. J. FULLER
ITS VICE PRESIDENT.

ATTEST:

M. FERGUSON
ITS SECRETARY.

SIGNED, SEALED AND DELIVERED IN
PRESENCE OF:

G. B. SEALEY

L. F. MILLIKEN

STATE OF NEW YORK)
CITY AND)SS.
COUNTY OF NEW YORK)

I, T. J. HAUGH, a Notary Public, in and for said City and County of New York in the State of New York, Do Hereby Certify that F. J. FULLER personally known to me to be the VICE PRESIDENT of THE CENTRAL UNION TRUST COMPANY OF NEW YORK and M. FERGUSON personally known to me to be the SECRETARY of said THE CENTRAL UNION TRUST COMPANY OF NEW YORK and personally known to me to be the same persons whose names are subscribed to the foregoing Instrument as such VICE PRESIDENT and SECRETARY, appeared before me this day in person and severally acknowledged that they as such VICE PRESIDENT and SECRETARY, respectively, signed, sealed and delivered the said Instrument as the free and voluntary act of THE CENTRAL UNION TRUST COMPANY OF NEW YORK, pursuant to authority given by the Board of Trustees of said Company for the uses and purposes therein set forth and I further certify that I know the seal affixed to said Instrument to be the Corporate Seal of said Company.

GIVEN under my hand and official seal this 23rd day of April, A.D. Nineteen Hundred and Twenty-eight.

(SEAL)

T. J. HAUGH
Notary Public

Notary Public Queens Co. No. 725 CTF. filed in N. Y. Co. No. 379 N. Y. Reg. No. 9317
Term Expires Mar. 30, 1929.

STATE OF WISCONSIN) SS.
DEPARTMENT OF STATE)

Received this 23rd day of
October A.D. 1937, at 11:20
o'clock A.M. and recorded
in Volume 33 of R. R. Mtgs.
on page 274-275, inclusive.

Robert L. Siebecker
Assistant Secretary of State

RELEASE OF THE FARMERS LOAN & TRUST COMPANY
A CORPORATION OF THE STATE OF NEW YORK,
FROM MORTGAGE DATED MAY 1, 1920
ON CERTAIN REAL ESTATE IN SHOREWOOD, MILWAUKEE COUNTY
SOLD TO THE CAROL INVESTMENT COMPANY
BY THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY.
* *

KNOW ALL MEN BY THESE PRESENTS.

That THE FARMERS LOAN AND TRUST COMPANY, a corporation of the State of New York, as surviving Trustee, for and in consideration of the sum of ONE DOLLAR ($1.00) and other good and valuable considerations, the receipt whereof is hereby confessed, does hereby remise, release, convey and quit-claim to CAROL INVESTMENT CO., A WISCONSIN CORPORATION OF MILWAUKEE, WISCONSIN, all right, title, interest, claim and demand whatsoever it may have acquired in, through or by a certain Deed of Trust bearing date May 1, 1920, recorded in the office of the Secretary of State of Wisconsin ~~in and for County,~~ in Vol. 21 of Railroad Mortgages and Trust Deeds on Page 1, et seq. in and to the following described premises in the Village of Shorewood County of Milwaukee State of Wisconsin, to-wit:

That part of the West Twenty (20) Chains of the South Seven and Fifty one-hundredths (7.50) chains of the Northeast quarter of Section Four (4) in Township Seven (7) North, Range Twenty-two (22) East, which lies South of the South line of Block Nineteen (19) of Glendale Investment Association Subdivision Number One (1) and East of a line drawn parallel with and one hundred twenty-seven (127) feet West of the West line of Woodburn Street in said Village of Shorewood, subject to the Public Easements in Woodburn Street and in Morris Boulevard (formerly Ash Street) as the same have been heretofore dedicated to the Public by the Chicago and North Western Railway Company.

Containing (exclusive of said Woodburn Street and said Morris Boulevard) four and two hundred seventy-nine one-thousandths (4.279) acres more or less.

This Release is executed upon the written request of the CHICAGO AND NORTH WESTERN RAILWAY COMPANY, approved by Resolution of its Board of Directors in pursuance of the power and authority vested in said Trustee by the provision of Section One of Article Eight of said Deed of Trust; said Railway Company having contracted to sell the property so released to said CAROL INVESTMENT CO., A WISCONSIN CORPORATION OF MILWAUKEE, WISCONSIN, and upon proper certificate that the said property hereinabove described is no longer of use in the operation of its mortgaged lines of railway and that the continuity of the lines of the Railway of the Railway Company is not and will not be broken and that it is no longer necessary or expedient to retain the same for such operation, maintenance or use of its line of railway or for use in its business.

EDWIN S. MARTSON, individual Trustee named in said Deed of Trust, having heretofore died, and no individual Trustee having been appointed, this Instrument is executed by THE FARMERS LOAN AND TRUST COMPANY, Trustee, under authority

of Article 9, Section 6, Paragraph 7 of said Deed of Trust.

IN WITNESS WHEREOF the said THE FARMERS LOAN AND TRUST COMPANY has caused these presents to be signed by its VICE PRESIDENT, its corporate seal to be hereunto affixed and attested by its SECRETARY, all on the 20th day of March, A.D., Ninteen Hundred and Twenty eight.

THE FARMERS LOAN AND TRUST COMPANY, AS TRUSTEE

(SEAL) BY SAMUEL SLOAN
~~ITS~~ VICE PRESIDENT. M

ATTEST:
JAMES B. LITTLE
ASST. SECRETARY.

SIGNED, SEALED AND DELIVERED ON
BEHALF OF THE FARMERS LOAN AND
TRUST COMPANY IN PRESENCE OF:
R. E. MORTON
NOEL E. HANF

STATE OF NEW YORK)
CITY AND } SS
COUNTY OF NEW YORK)

I, H. M. PETERSON, a Notary Public, in and for said City and County of New York in the State of New York, do hereby certify that SAMUEL SLOAN personally known to me to be the VICE PRESIDENT of THE FARMERS LOAN AND TRUST COMPANY and JAMES B. LITTLE personally known to me to be the ASST. SECRETARY of THE FARMERS LOAN AND TRUST COMPANY, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such VICE PRESIDENT and ASST. SECRETARY, appeared before me this day in person and severally acknowledged that they as such VICE PRESIDENT and ASST. SECRETARY, respectively, signed, sealed and delivered the said instrument as the free and voluntary act of THE FARMERS LOAN AND TRUST COMPANY, pursuant to authority given by the Board of Trustees of said Company, for the uses and purposes therein set forth, and I further certify that I know the seal affixed to said instrument to be the corporate seal of said Company.

GIVEN under my hand and official seal this 20th day of March, A.D., Nineteen Hundred and twenty-eight.

(SEAL) H. M. PETERSON
NOTARY PUBLIC

NOTARY PUBLIC, Kings County Kings Co. Clks. No. 417, Reg. No. 9277 Certificate filed in N. Y. County N. Y. Co. Clks. No. 607, Reg. No. 9048A Commission Expires March 30th, 1929

MY COMMISSION EXPIRES:
Mch. 30, 1929

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 23rd day of
October A.D. 1937 at 11:20 ✓
o'clock A.M. and recorded
in Volume 33 of R. R. Mtgs.
on page 276-277, inclusive.

Robert L. Siebecker
Asst. Secretary of State

RELEASE OF UNITED STATES TRUST COMPANY OF NEW YORK
FROM MORTGAGE DATED NOVEMBER 1, 1897,
ON CERTAIN REAL ESTATE IN SHOREWOOD, MILWAUKEE COUNTY,
SOLD TO THE CAROL INVESTMENT COMPANY
BY THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY

* *

KNOWN ALL MEN BY THESE PRESENTS.

That UNITED STATES TRUST COMPANY OF NEW YORK, a corporation of the State of New York, as surviving Trustee, for and in consideration of the sum of ONE DOLLAR ($1.00) and other good and valuable considerations, the receipt whereof is hereby confessed, does hereby remise, release, convey and quit-claim to CAROL INVESTMENT CO., A WISCONSIN CORPORATION OF MILWAUKEE, WISCONSIN, all right, title, interest claim and demand whatsoever it may have acquired in, through or by a certain Deed of Trust bearing date November 1, 1897, recorded in the office of the Secretary of State of the ~~in and for County, in the~~ State of Wisconsin, in Vol. 11 of R. R. Mortgages and Trust Deeds on pages 333 et seq. in and to the following described premises situated in the Village of Shorewood, County of Milwaukee, State of Wisconsin, to-wit:

That part of the West Twenty (20) chains of the South Seven and Fifty one-hundredths (7.50) chains of the Northeast quarter of Section four (4) in Township seven (7) North, Range twenty-two (22) East, which lies South of the South line of Block Nineteen (19) of Glendale Investment Association Subdivision Number One (1) and East of a line drawn parallel with and one hundred twenty-seven (127) feet West of the West line of Woodburn Street in said Village of Shorewood, subject to the public Easements in Woodburn Street and in Morris Boulevard (formerly Ash Street) as the same have been heretofore dedicated to the Public by the Chicago and North Western Railway Company.

Containing (exclusive of said Woodburn Street and said Morris Boulevard) four and two hundred seventy-nine one-thousandths (4.279) acres more or less.

This Release is executed upon the written request of the CHICAGO AND NORTH WESTERN RAILWAY COMPANY, approved by Resolution of its Board of Directors in pursuance of the power and authority vested in said Trustee by the provision of Section One of Article Six of said Deed of Trust; said Railway Company having contracted to sell the property so released to said CAROL INVESTMENT CO., A WISCONSIN CORPORATION OF MILWAUKEE, WISCONSIN, and upon proper certificate that the property hereinabove described is no longer of use in the operation of its mortgaged lines of railway and that the continuity of the lines of the railway of the Railway Company is not and will not be broken and that it is no longer necessary or expedient to retain the same for such operation, maintenance or use of its line of railway or for use in its business.

JOHN A STEWART, individual Trustee named in said Deed of Trust, having died, and no individual Trustee having been appointed, this Instrument is executed by the UNITED STATES TRUST COMPANY OF NEW YORK as the surviving Trustee.

IN WITNESS WHEREOF the said UNITED STATES TRUST COMPANY OF NEW YORK has caused these presents to be signed by its President, its corporate seal to be hereunto affixed and attested by its Assistant Secretary, all on this 20th day of March A.D., Nintoen Hundred and twenty eight.

UNITED STATES TRUST COMPANY OF NEW YORK, AS TRUSTEE

(SEAL) BY W. M. KINGSLEY
ITS PRESIDENT

ATTEST:

H. L. SMITHERS
ASSISTANT SECRETARY.

SIGNED, SEALED AND DELIVERED ON BEHALF OF THE UNITED STATES TRUST COMPANY OF NEW YORK IN PRESENCE OF:

CHARLES S. YARWOOD JR.

ELMER WETTING

STATE OF NEW YORK)
CITY AND)SS.
COUNTY OF NEW YORK)

I, CHARLES S. YARWOOD, JR., a Notary Public, in and for said City and County of New York in the State of New York, do hereby certify that WILLIAM M. KINGSLEY personally known to me to be the President of the UNITED STATES TRUST COMPANY OF NEW YORK and HENRY L. SMITHERS personally known to me to be the ASSISTANT SECRETARY of said UNITED STATES TRUST COMPANY OF NEW YORK, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such PRESIDENT and ASSISTANT SECRETARY, appeared before me this day in person and severally acknowledged that they as such President and Assistant Secretary, respectively, signed, sealed and delivered the said instrument as the free and voluntary act of the UNITED STATES TRUST COMPANY OF NEW YORK, pursuant to authority given by the Board of Trustees of said Company, for the uses and purposes therein set forth, and I further certify that I know the seal affixed to said instrument to be the corporate seal of said Company.

GIVEN under my hand and official seal this 20th day of March, A.D., Nineteen Hundred and twenty eight.

(SEAL) CHARLES S. YARWOOD JR.
NOTARY PUBLIC.

CHARLES S. YARWOOD, JR., Notary Public Queens Co. Clks. No. 1971, Reg. No. 2324 Cert. filed N. Y. Co. Clk's No. 9, Reg. No. 9008 Commission Expires March 30, 1929

MY COMMISSION EXPIRES:
March 30, 1929

STATE OF WISCONSIN)SS.
DEPARTMENT OF STATE)

Received this 23rd day of October A.D. 1937 at 11:20 o'clock A.M. and recorded in Volume 33 of R. R. Mtgs. on page 278-279, inclusive.

Robert L. Siebecker
Asst. Secretary of State

AFFIDAVIT OF JOHN D. CALDWELL, SECRETARY OF
THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY
RELATIVE TO LANDS DEEDED TO CAROL INVESTMENT COMPANY
APRIL 17, 1928
Executed May 9, 1928.

* *

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK.)

I, JOHN D. CALDWELL, upon my oath do state that I am the Secretary of the Chicago and North Western Railway Company, a corporation, engaged in the business of a common carrier; that the said Railway Company is the grantor named in a certain deed dated April 17th, A. D. 1928, conveying to Carol Investment Company, a corporation, the grantee named in said deed, the following described property:

"That part of the West 20 chains of the South 7.50 chains of the NE¼ of Section 4 in Township 7 North, Range 22 East, which lies South of the South line of Block Nineteen (19) of Glendale Investment Association Subdivision Number One and East of a line drawl parallel with and 127 feet West of the West line of Woodburn Street in said Village of Shorewood, subject to the Public Easements in Woodburn Street and in Morris Boulevard (formerly Ash Street) as the same have been heretofore dedicated to the Public by the Chicago and North Western Railway Company.

"Containing (exclusive of said Woodburn Street and said Morris Boulevard) four and two hundred seventy-nine one-thousandths (4.279) acres, more or less."

that I am familiar with the mortgages, liens, and encumbrances upon the property of said Railway Company; that the above described property has heretofore been included in the following general mortgages of the property of said Railway Company;

1. Milwaukee, Lake Shore and Western Railway Company (of which Chicago and North Western Railway Company is successor in interest), as mortgagor to Central Trust Company of New York, a New York corporation (which latter has been succeeded by the Central Union Trust Company of New York), dated February 1, 1889, and recorded in the office of the Secretary of State of Wisconsin in Vol. 8 of Railroad Mortgages and Trust Deeds on page 330 et seq.

2. Chicago and North Western Railway Company as mortgagor to United States Trust Company of New York, a New York Corporation, dated November 1, 1897, and recorded in the office of the Secretary of State of Wisconsin in Vol. 2 of Railroad Mortgages and Trust Deeds on page 333 et seq.

3. Chicago and North Western Railway Company as mortgagor to Farmers' Loan and Trust Company, a New York corporation, dated May 1, 1920, and recorded in the office of the Secretary of State of Wisconsin in Vol. 21 of Railroad Mortgages and Trust Deeds on page 1 et seq.

That said Central Union Trust Company by an instrument in writing dated April 23, 1928, has released the above described property from the lien of said mortgage dated February 1, 1889.

That said United States Trust Company by an instrument in writing dated March 30, 1928, has released the above described property from the lien of said mortgage dated November 1, 1897.

That said Farmers Loan and Trust Company by an instrument in writing dated March 20, 1928, has released the above described property from the lien of said mortgage dated May 1, 1920.

That above described property is not at this time included in, or covered by, any other mortgage, lien or encumbrance.

Dated at Chicago, Illinois, May 9, 1928.

(SEAL) JOHN D. CALDWELL

Subscribed and sworn to before
me this 9th day of May, 1928.

CONRAD J. FREEMAN
NOTARY PUBLIC

My Commission expires Sept. 13, 1929.

STATE OF WISCONSIN)
)SS
DEPARTMENT OF STATE)

Received this 23rd day of October A. D. 1937 at 11:20 o'clock A. M. and recorded in Volume 33 of R. R. Mtgs. ✓ on page 280-281, inclusive.

ROBERT L. SIEBECKER
Asst. Secretary of State

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DULUTH, MISSABE AND IRON RANGE
RAILWAY COMPANY

TO

THE FIRST NATIONAL BANK OF THE
CITY OF NEW YORK,
TRUSTEE.

****

FIRST MORTGAGE

Dated October 1, 1937.

****

$30,000,000 First Mortgage 3½% Bonds, due October 1, 1962.

THIS INDENTURE, dated October 1, 1937, between the DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Minnesota, party of the first part, hereinafter called the "Railway Company", and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a corporation organized and existing under the laws of the United States of America, party of the second part, hereinafter called the "Trustee":

WHEREAS, the Railway Company has been duly organized under the laws of the State of Minnesota and owns and operates certain lines of railroad; and

WHEREAS, the Railway Company is duly authorized to issue its bonds for the purposes hereinafter set forth and to mortgage its property, real and personal, and its franchises to secure the payment of such bonds; and

WHEREAS, the Railway Company desires to issue its bonds in the principal amount of $20,000,000 for the purpose of carrying out agreements for exchange thereof for the capital stock of the Duluth and Iron Range Rail Road Company and Interstate Transfer Railway Company, and in the principal amount of $10,000,000 to be sold for cash for the purpose of providing a portion of the funds: (a) for the repayment of an advance made to provide funds used for the payment at maturity of $8,151,000 principal amount of First Mortgage 5% Bonds of The Duluth and Iron Range Rail Road Company, due October 1, 1937; (b) for the retirement prior to maturity of $1,000,000 principal amount of First Mortgage Five Per Cent. Gold Bonds of Spirit Lake Transfer Railway Company, due July 1, 1946; and (c) for the retirement prior to maturity of $1,000,000 principal amount of First Mortgage Five Per Cent. Gold Bonds of Interstate Transfer Railway Company, due July 1, 1945; and

WHEREAS, at a meeting of the Board of Directors of the Railway Company, duly held, pursuant to due notice, on the 26th day of January, 1938, a quorum being present and acting throughout, resolutions were duly adopted, pursuant to authority given by all of the stockholders of the Railway Company in a consent executed under date of August 5, 1937, authorizing the execution and delivery by the Railway Company of a mortgage or deed of trust substantially in the form of this Indenture to the Trustee, and its successors, to secure bonds for the purposes and upon the conditions set forth in this Indenture; and

WHEREAS, the texts of the coupon Bonds and of the coupons to be appurtenant thereto and of the registered Bonds without coupons, and of the Trustee's certificate of authentication to be endorsed on said Bonds, are to be severally and respectively substantially as follows:

[FORM OF COUPON BOND]

No..... $1,000

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY

FIRST MORTGAGE 3½% BOND

Due October 1, 1962

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Minnesota, hereinafter called the "Railway Company", for value received, hereby promises to pay to the bearer, or, if this Bond be registered as to principal, then to the registered holder hereof, on the first day of October, 1962, the principal sum of One Thousand Dollars and to pay interest on said principal sum at the rate of three and one-half per cent. per annum from the date hereof, semi-annually on the first day of April and the first day of October in each year until the payment of said principal sum, but until the maturity of this Bond only upon presentation and surrender of the coupons for such interest instalments as are evidenced thereby, hereto attached, as severally they mature. Both the principal of, premium if any, and interest on this Bond are payable at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, State of New York, or at the office therein of any successor paying agent, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This bond is one of an issue of First Mortgage 3½% Bonds of the Railway Company, limited in principal amount to Thirty Million Dollars (30,000,000), all issued under and equally and ratably secured by a mortgage or deed of trust dated October 1, 1937, executed by the Railway Company to the First National Bank of the City of New York, as Trustee, hereinafter called the "Indenture", to which reference is hereby made for a description of the property mortgaged, the nature and extent of the security, and the rights of the holders of said Bonds and coupons and of the Trustee in respect of such security, and the terms and conditions upon which said Bonds are issued.

The Bonds shall be entitled to the benefit of a sinking fund pursuant to which the Railway Company will pay semi-annually to J. P. Morgan & Co., as the Sinking Fund Agent, pursuant to the provisions of the Indenture, on April 1 and October 1 of each year commencing April 1, 1938, the sum of $630,000 from April 1, 1938, to April 1, 1947, inclusive; $621,000 from October 1, 1947, to April 1, 1952, inclusive; $612,000 from October 1, 1952, to April 1, 1957, inclusive; $606,000 from October 1, 1957, to April 1, 1959, inclusive; and $600,000 from October 1, 1959, to October 1, 1962, inclusive. Each sinking fund instalment shall be applied by the Sinking Fund Agent to the purchase or redemption of Bonds in a principal amount not exceeding $600,000 at prices not exceeding the then current price at which Bonds may be redeemable at the option of the Railway Company. Such purchases may be made by the Sinking Fund Agent from the Railway Company. Redemption of Bonds with sinking fund moneys shall be made in the same manner as is hereinafter specified for redemption of Bonds at the option of the Railway Company, except that the first publication of notice of redemption shall be not less than thirty days nor more than forty days prior to the date fixed for such redemption. In case there shall remain any balance of a sinking fund instalment after application of so much thereof as is required to retire by purchase or redemption $600,000 principal amount of Bonds, such redemption $600,000 principal amount of Bonds, such balance shall be retained by the Sinking Fund Agent and be credited toward the next succeeding

sinking fund instalment due from the Railway Company. The provisions with regard to the sinking fund are more fully set forth in the Indenture.

If an event of default, as defined in the Indenture, shall occur, the principal sum of the Bonds may be declared or may become due and payable in the manner and with the effect in the Indenture provided.

This Bond is transferable by delivery unless registered as herein provided. This Bond may be registered as to the principal sum in the holder's name at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, such registration being noted hereon by J. P. Morgan & Co. as the bond registrar of the Railway Company, after which no transfer shall be valid unless made at said registry by the registered holder, in person or by attorney, and similarly noted hereon; but this Bond may be discharged from registration by like transfer to bearer similarly noted hereon, whereupon transferability by delivery shall be restored. This Bond shall continue to be subject to successive registrations and transfers to bearer. No such registration, however, shall affect the negotiability of the coupons for interest hereto attached which shall always continue to be payable to bearer and to be transferable by delivery merely.

The Indenture contains provisions giving to the holders of 66 2/3% in aggregate principal amount of outstanding Bonds the power by resolution at a bondholders meeting to take the various actions therein specified including the sanction of any change or alteration of any provision of the Indenture and any modification or compromise of the rights of the holders of the Bonds against the Railway Company or against its property, provided that no such change or alteration which, in the opinion of the Trustee, affects its own rights, duties or immunities under the Indenture may be made without the consent of the Trustee, and provided that the bondholders shall have no power to (a) extend the maturity of any Bonds, or reduce the rate of interest thereon, or otherwise modify the terms of payment of such principal (other than a modification of the sinking fund provisions) or interest without the consent of the holder of each Bond so affected, or (b) effect a reduction of the percentage required for any change or alteration or modification or compromise as aforesaid without the consent of the holders of all the outstanding Bonds.

No reference herein to the Indenture, and no provision of this Bond or of the Indenture, shall alter or impair the obligation of the Railway Company, which is absolute and unconditional, to pay the principal and interest of this Bond at the time and place and at the rate and in the currency prescribed herein.

The Bonds are redeemable before maturity at the option of the Railway Company, at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, or at the office therein of any successor paying agent, at any time as a whole or in part by lot, after publication of notice of such redemption at least four times (the first publication to be not less than sixty days nor more than seventy days prior to the date fixed for such redemption) in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan , The City of New York, and upon payment of the redemption price at the time required to be paid on such redemption, as below set forth, all as more fully provided in the Indenture. The several redemption prices (expressed in percentages of the principal sum) and the several periods to which such prices respectively are applicable are as follows, namely: To and including October 1, 1947, at 105%; thereafter to and including October 1, 1952, at

103½%; thereafter to and including October 1, 1957, at 102%; thereafter to and including October 1, 1959, at 101%; and thereafter at 100%; in each case together with accrued interest on the principal sum to the date fixed for redemption.

The coupon Bonds are issuable in the denomination of $1,000. The registered Bonds without coupons are issuable in the demoninations of $1,000, $5,000, $10,000 and any multiple of $10,000. The coupon Bonds and the registered Bonds without coupons and the several denominations of the registered Bonds without coupons are interchangeable upon presentation for that purpose at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, and upon payment of charges all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium if any, or interest upon this Bond, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether presently existing or hereafter arising, being, by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released as provided in the Indenture.

Neither this Bond nor any of the coupons hereto attached shall be valid or obligatory for any purposem unless and until the certificate of authentication, hereon endorsed, shall have been executed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Railway Company has caused this Bond to be signed by its President or a Vice-President and its corporate seal to be affixed hereunto and to be attested by its Secretary or an Assistant Secretary, and coupons for interest, bearing the engraved fascimilie of the signature of its Treasurer, to be attached hereto, and this Bond to be dated as of the first day of October, 1937.

DULUTH, MISSABE AND IRON RANGE
RAILWAY COMPANY,

By.....
President.

(L.S.)

Attest:

.....
Secretary.

/FORM OF INTEREST COUPON/

$17.50

No.....

On the first day of....., unless the Bond hereinafter mentioned shall have been called for previous redemption and payment duly provided for, DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY will pay to bearer at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, State of New York, or at the office therein of any successor paying agent, on surrender of this coupon, Seventeen and 50/100 Dollars in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, being six months' interest then due on its First Mortgage 3½% Bond, due October 1, 1962, No. .

.....
Treasurer.

/FORM OF REGISTERED BOND WITHOUT COUPONS/

No. .....

$.....

DULUTH, MISSABE AND IRON RANGE
RAILWAY COMPANY

First Mortgage 3½% Bond

Due October 1, 1962

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Minnesota, hereinafter called the "Railway Company", for value received, hereby promises to pay to ....., or registered assigns, on the first day of October, 1962, the principal sum of .....Dollars and to pay interest on said principal sum to the registered holder hereof at the rate of three and one-half per cent. per annum from the latest semi-annual interst payment date on which preceding the date hereof, unless the date hereof be an interest payment date on which interest has been paid/ in which case from the date hereof, or unless the date hereof is prior to April 1, 1938, in which case from October 1, 1937, semi-annually on the first day of April and the first day of October in each year until the payment of said principal sum. Both the principal of, premium if any, and interest on this Bond are payable at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, State of New York, or at the office therein of any successor paying agent, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of an issue of First Mortgage 3½% Bonds of the Railway Company, limited in principal amount to Thirty Million Dollars ($30,000,000), all issued under and equally and ratably secured by a mortgage or deed of trust dated October 1, 1937, executed by the Railway Company to The First National Bank of the City of New York, as Trustee, hereinafter called the "Indenture", to which reference is hereby made for a description of the property mortgaged, the nature and extent of the security, and the rights of the holders of said Bonds and coupons and of the Trustee in respect of such security, and the terms and conditions upon which said Bonds are issued.

The Bonds shall be entitled to the benefit of a sinking fund pursuant to which the Railway Company will pay semi-annually to J. P. Morgan & Co., as the Sinking Fund Agent, pursuant to the provisions of the Indenture, on April 1 and October 1 of each year commencing April 1, 1938, the sum of $630,000 from April 1, 1938, to April 1, 1947, inclusive; $621,000 from October 1, 1947, to April 1, 1952, inclusive; $612,000 from October 1, 1952, to April 1, 1957, inclusive; $606,000 from October 1, 1957, to April 1, 1959, inclusive; and $600,000 from October 1, 1959, to October 1, 1962, inclusive. Each sinking fund instalment shall be applied by the Sinking Fund Agent to the purchase or redemption of Bonds in a principal amount not exceeding $600,000 at prices not exceeding the then current price at which Bonds may be redeemable at the option of the Railway Company. Such purchases may be made by the Sinking Fund Agent from the Railway Company. Redemption of Bonds with sinking fund moneys shall be made in the same manner as is hereinafter specified for redemption of Bonds at the option of the Railway Company, except that the first publication of notice of redemption shall be not less than thirty days nor more than forty days prior to the date fixed for such redemption. In case there shall remain any balance of a sinking fund instalment after application of so much thereof as is required to retire by purchase or redemption $600,000 principal amount of Bonds, such balance shall be retained by the Sinking Fund Agent and be credited toward the next succeeding sinking fund instalment due from the Railway Company. The provisions with regard to the sinking fund are more fully set

forth in the Indenture.

If an event of default, as defined in the Indenture, shall occur, the principal sum of the Bonds may be declared or may become due and payable in the manner and with the effect in the Indenture provided.

This Bond is transferable by the registered holder in person or by duly authorized attorney at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond as provided in the Indenture and upon payment of the charges therein specified; and upon any such transfer a new registered Bond without coupons will be issued to the transferee.

The Indenture contains provisions giving to the holders of 66 2/3% in aggregate principal amount of outstanding Bonds the power by resolution at a bondholders meeting to take the various actions therein specified including the sanction of any change or alteration of any provision of the Indenture and any modification or compromise of the rights of the holders of the Bonds against the Railway Company or against its property, provided that no such change or alteration which, in the opinion of the Trustee, affects its own rights, duties or immunities under the Indenture may be made without the consent of the Trustee, and provided that the bondholders shall have no power to (a) extend the maturity of any Bonds, or reduce the rate of interest thereon, or otherwise modify the terms of payment of such principal (other than a modification of the sinking fund provisions) or interest without the consent of the holder of each Bond so affected, or (b) effect a reduction of the percentage required for any change or alteration or modification or compromise as aforesaid without the consent of the holders of all the outstanding Bonds.

No reference herein to the Indenture, and no provision of this Bond or of the Indenture, shall alter or impair the obligation of the Railway Company, which is absolute and unconditional, to pay the principal and interest of this Bond at the time and place and at the rate and in the currency prescribed herein.

The Bonds are redeemable before maturity at the option of the Railway Company, at the office of J. P. Morgan & Co., in the Borough of Manhattan, The City of New York, or at the office therein of any successor paying agent, at any time as a whole or in part by lot, after publication of notice of such redemption at least four times (The first publication to be not less than sixty days nor more than seventy days prior to the date fixed for such redemption) in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, and upon payment of the redemption price at the time required to be paid on such redemption, as below set forth, all as more fully provided in the Indenture. The several redemption prices (expressed in percentages of the principal sum) and the several periods to which such prices respectively are applicable are as follows, namely; To and including October 1, 1947, at 105%; thereafter to and including October 1, 1952, at 103½%; thereafter to and including October 1, 1957, at 102%; thereafter to and including October 1, 1959, at 101%; and thereafter at 100%; in each case together with accrued interest on the principal sum to the date fixed for redemption.

The coupon Bonds are issuable in the denomination of $1000. The registered Bonds without coupons are issuable in the denominations of $1000, $5000, $10,000 and any multiple of $10,000. The coupon Bonds and the registered Bonds without coupons and the several denominations of the registered Bonds without coupons are interchangeable upon presentation for that purpose at the office of J. P. Morgan & Co., in the Borough of

Manhattan, The City of New York, and upon payment of charges, all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium if any, or interest upon this Bond, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability, whether presently existing or hereafter arising, being, by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released as provided in the Indenture.

This Bond shall not be valid or obligatory for any purpose, unless and until the certificate or authentication, hereon endorsed, shall have been executed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Railway Company has caused this Bond to be signed by its President or a Vice-President and its corporate seal to be affixed hereunto and to be attested by its Secretary or an Assistant Secretary, and this Bond to be dated as of the day of , 19 .

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY,

By.....
President.

[L. S.]

Attest:

.....
Secretary.

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds described in the within mentioned Indenture.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, TRUSTEE,

By.....
Assistant Cashier.

WHEREAS, every registered Bond without coupons shall bear thereon in appropriate form an endorsement or notation setting forth that such Bond is issued in lieu of, or in exchange for, a coupon Bond or coupon Bonds, none thereof being outstanding contemporaneously with such registered Bond; and

WHEREAS, the Interstate Commerce Commission by its order entered December 28, 1937, in Finance Docket No. 11780, has authorized the issue of the Bonds hereunder, and all other acts and things prescribed by law have been duly performed and complied with, and the Railway Company has executed this Indenture and proposes to issue the Bonds hereby secured in the exercise of legal right, power and authority in it vested;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That for and in consideration of the premises and of the acceptance and purchase of the Bonds by the holders thereof and of the sum of Ten Dollars ($10) lawful money of the United States of America to the Railway Company duly paid by the Trustee at the time of the delivery of this Indenture, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium if any, and interest upon all Bonds issued and to be issued under this Indenture according to their tenor and effect, and to secure the performance of all the covenants and conditions herein contained, and in order to charge with such payment and with such performance the railroads, railroad

~~railroad~~ property and appurtenances, rights, privileges, franchises and other properties hereinafter described, the Railway Company has executed and delivered this Indenture and has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, mortgaged, pledged, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, mortgage, pledge, assign, transfer and set over unto the Trustee, and to its successors in the trust and assigns, forever;

All and singular the railroads, property and appurtenances, franchises, rights and privileges of the Railway Company, including the properties more particularly hereinafter described, viz.:

I. (1) All and singular the main lines of railroad, constituting the railroad formerly owned by the Duluth, Missabe and Northern Railway Company, including the following:

The main line extending from Missabe Junction in the City of Duluth to the Village of Mountain Iron, all in St. Louis County, Minnesota, having a length of about ..... 71.98 miles

The land constituting the foregoing right-of-way is subject, as to 2.36 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from Iron Junction to Biwabik, all in said St. Louis County, having a length of about ..... 15.62 miles

The land constituting the foregoing right-of-way is subject, as to .25 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from Wolf to Virginia, all in said St. Louis County, having a length of about..... 6.71 miles

The main line extending from Wolf to Hibbing, all in said St. Louis County having a length of about..... 17.50 miles

1.02 miles of the land constituting the foregoing right-of-way are held under a revocable license, and, together with 2.84 additional miles thereof, are subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from Coleraine Junction in said St. Louis County to a connection with the tracks of the Great Northern Railway at Calumet in Itasca County, Minnesota, having a length of about ..... 43.44 miles

The land constituting the foregoing right-of-way is subject, as to 3.72 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from a connection with tracks of the Great Northern Railway at Holman to Coleraine, all in said Itasca County, having a length of about..... 5.32 miles

The land constituting the foregoing right-of-way is subject, as to 3.46 miles therof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from Hull Junction to Hull Rust all in said St. Louis County having a length of about ..... 18.00 miles

1.67 miles of the land constituting the foregoing right-of-way are held under a revocable license, and, together with 4.55 additional miles thereof, are subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

(2) Also, all and singular the branch lines of railroad, formerly owned by the Duluth, Missabe and Northern Railway Company, including the following:

Spruce Branch, extending from Spruce to Eveleth, all in said St. Louis County, having a length of about ..... 3.29 miles

Biwabik-Spruce Branch, extending from Biwabik to Hobart and Duluth Mines, all in said St. Louis County, having a length of about ..... 1.06 miles

The land constituting the foregoing right-of-way is subject, as to .79 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Sliver Branch, extending from Rainy Junction, all in said St. Louis County, having a length of about ..... 7.86 miles

The land constituting the foregoing right-of-way is subject, as to 3.54 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Virginia Branch, extending from Virginia, all in said St. Louis County, having a length of about ..... 3.77 miles

0.36 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with the remaining 3.41 miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Wacootah Branch, extending from Mountain Iron, all in said St. Louis County, having a length of about ..... 1.56 miles

0.60 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with the remaining .96 of a mile thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Sharon Branch, extending from Sherwood, all in said St. Louis County, having a length of about .....9.75 miles

0.53 of a miles of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 4.33 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Shaw Cut-off Branch, extending from Sherwood to Keenan, all in said St. Louis County, having a length of about.....8.04 miles

Chisholm Branch, extending from Wilpen to Chisholm, all in said St. Louis County, having a lenght of about.....9.70 miles

0.78 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 3.46 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Mitchell Branch, extending from Mitchell, all in said St. Louis County, having a length of about..... 6.69 miles

0.84 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 4.35 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Hibbing Branch, extending from Hibbing, all in said St. Louis County, having a length of about.....2.35 miles

The land constituting the foregoing right-of-way is subject, as to .97 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

Marble Branch, extending from Marble, all in said Itasca County, having a length of about.....4.85 miles

0.19 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 4.41 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

Taconite Branch, extending from Taconite, all in said Itasca County, having a length of about.....1.75 miles

All of the land constituting the foregoing right-of-way is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Canisteo Branch, extending from Taconite Junction, all in said Itasca County, having a length of about.....4.05 miles

The land constituting the foregoing right-of-way is subject, as to 3.55 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

Main Mine Spurs constructed on The Duluth and Iron Range Rail Road owned by Duluth, Missabe and Iron Range Railway Company, all in said St. Louis County, having a length of about.....2.06 miles

All of the land constituting the foregoing right-of-way is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

(3) Also, all and singular the tracks, additional to the main line and branch line tracks above described and used as part of, or in connection with, any of said main line or branch lines of railway.

II. (1) All and singular the lines of railroad, constituting the railroad formerly owned by the Spirit Lake Transfer Railway Company, including the following:

The main line extending from Adolph to St. Louis River Bridge, in St. Louis and Carlton Counties, Minnesota, having a length of about.....12.73 miles

The main line extending from Steelton to Duluth Transfer Connection, all in said St. Louis County, having a length of about.....1.95 miles

(2) Also, all and singular the tracks additional to the main line above described and used as a part of, or in connection with, the same or any part thereof.

III. (1) Those two certain ore docks on St. Louis River in the City of Duluth, St. Louis County, Minnesota, connected with and part of said railroad formerly owned by the Duluth, Missabe and Northern Railway Company, and known and designated as Ore Docks Nos. 5 and 6.

(2) That one certain coal dock on said St. Louis River in the City of Duluth, St. Louis County, Minnesota, connected with and part of said railroad.

(3) That one certain limestone dock on St. Louis River in the City of Duluth, St. Louis River in the City of Duluth, St. Louis County, Minnesota, connected with and part of said railroad.

IV. (1) 65,000 shares of Capital Stock of The Duluth and Iron Range Rail Road Company being all such capital Stock outstanding.

(2) 5,000 shares of Capital Stock of Interstate Transfer Railway Company being all such Capital Stock outstanding.

The receipt of certificates for the foregoing shares of stock now owned by the Company, either duly endorsed in blank or accompanied by appropriate transfer powers duly executed in blank, is acknowledged by the Trustee.

V. All right, title and interest of the Railway Company in and to a drawbridge used as part of the railroad formerly owned by the Spirit Lake Transfer Railway Company and the railroad owned by the Interstate Transfer Railway Company, spanning the St. Louis River from Duluth in said St. Louis County, Minnesota, to a point on the easterly bank of said River in Douglas County, Wisconsin, together with the approaches thereto.

VI. Any and all railroads, lines of railroad, railroad property and appurtenances, docks and wharves and appurtenances, franchises, rights and privileges which the Railway Company may hereafter acquire.

VII. Any and all rights of way, lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, now owned by the Railway Company, or which at any time hereafter may be acquired by or for it. Reserving and excepting, however, from the lien hereof any and all lands, hereafter acquired by the Railway Company, which have been granted by the State of Minnesota to any predecessor in title to said lands and which shall not be necessary or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the railroad lines and railroad properties of the Railway Company.

VIII. Any and all locomotives, engines and motors, however propelled and operated, cars, other rolling stock and equipment, boats, tugs, trucks, machinery, tools, implements, materials and other chattels now or hereafter owned by, and the title to which is or hereafter shall be vested in the Railway Company and used upon or in connection with any of the said lines of railroad, extensions, franchises or other properties now or hereafter subject to the lien of this Indenture, including all the right, title and interest now vested in, or hereafter acquired by the Railway Company in and to any and all locomotives and other rolling stock and equipment leased to or possessed by the Railway Company under any equipment trust agreements, conditional sale agreements or other agreements.

IX. Any and all additions and betterments to the rolling stock or other equipment, and any and all additions, betterments and improvements hereafter acquired or constructed upon or in connection with any and all of the lines of railroad, branch lines, extensions or upon or in connection with any of the telegraph and telephone lines hereafter in Clause XII referred to, or upon or in connection with other real property, now or hereafter subject to the lien of this Indenture.

X. Any and all rights, powers, franchises and privileges now or hereafter owned or possessed by the Railway Company which now or at any time hereafter may be necessary for or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the railroads and other property now or hereafter subject to the lien of this Indenture.

XI. Any and all leases, leasehold rights, licenses, joint facility and other trackage contracts, rights and privileges and amendments, renewals and extensions thereof, whether the same or any thereof be now held by the Railway Company or hereafter acquired by it for use upon or in connection with or belonging or appertaining to any of the aforesaid lines of railroad, now or hereafter subject to the lien of this Indenture, or relating to the ownership, use or operation of any terminals or union or other stations situated along, or at the terminus of any line of railroad now or hereafter subject to the lien of this Indenture.

XII. Any and all telegraph, telephone or other communication lines now or hereafter owned by the Railway Company; and the right to the use of any and all other telegraph, telephone or other communication lines along the lines of railroad now or hereafter subject to the lien of this Indenture, in the same manner and to the same extent as they are now or hereafter may be used or subject to use by the Railway Company.

XIII. Any and all other property of every kind and description (including railroads, leases of railroads, stocks, bonds or other property of any kind) which, at any

and franchises which the Railway Company may hereafter acquire and which by the granting clauses of this Indenture are subjected to the lien of this Indenture or intended so to be, and it will also do, execute, acknowledge and deliver, or it will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the trust estate hereby mortgaged, or intended so to be, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal and interest of the Bonds intended to be hereby secured.

The Railway Company will deliver to the Trustee annually in the month of January a certificate signed by its President or a vice-President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any substantial items of real and personal estate, rights and franchises acquired within the previous calendar year. The Trustee shall be fully protected in accepting such certificate, shall have no duty or inquiry as to items of property acquired by the Railway Company except to require such certificates to be furnished, and shall be under no duty to require the granting, conveying, confirming, assigning, transferring and setting over unto the Trustee of any such property if furnished with an opinion of counsel, who may be of counsel for the Railway Company, that the same is unnecessary adequately to subject to the lien of this Indenture all items of property set forth in such certificate which by the granting clauses of this Indenture are intended to be so subjected.

The Railway Company is authorized to own and operate the lines of railroad as described in the granting clauses hereof, and covenants and agrees to execute any and all instruments and do any and all acts and things necessary or proper to perfect its title to the same or any thereof.

SECTION 3. The Railway Company covenants that it will not voluntarily create or suffer to be created any lien or charge, having priority or preference over or equality with the lien of this Indenture, upon the trust estate or upon any part thereof, or upon the income and profits thereof, and, within six months after the same shall accrue, it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence to this Indenture as a lien or charge upon the trust estate, or any part thereof, or the income thereof.

Nothing in this Section contained shall require the Railway Company to acquire, pay or discharge any such claim, demand, debt, lien or charge, so long as the Railway Company in good faith shall contest the validity or the amount thereof, unless in the opinion of the Trustee such action might jeopardize the interests of the bondholders.

The Railway Company will deliver to the Trustee annually on January 1 of each year a certificate signed by its President or a Vice-President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such claims, demands, debts, liens or charges existing at the date of such certificate. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

SECTION 4. The Railway Company, from time to time will pay and discharge all taxes, assessments and governmental charges, the lien of which would be prior to the lien hereof, lawfully imposed upon the trust estate at any time subject to the lien of this Indenture, or upon any part thereof, or upon the income and profits thereof, so that the lien and priority of this Indenture thereon shall be fully preserved at the cost of the Railway

Company without expense to the Trustee or to the Bond-holders in repect of such properties; and will also pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the interest of the Trustee in the trust estate.

Nothing contained in this Section shall require the Railway Company to pay any such tax, assessment or charge so long as the Railway Company in good faith shall contest the validity or amount thereof, unless in the opinion of the Trustee such action might jeopardize the interests of the bondholders.

The Railway Company will deliver to the Trustee annually on January 1 of each year a certificate signed by its President or a Vice-President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such taxes, assessments or charges existing at the date of such certificate. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

SECTION 5. If default shall be made in paying any sum which in Section 3 or 4 of this Article the Railway Company has covenanted to pay or discharge, the Trustee, without affecting any of its rights hereunder, from time to time in its discretion may pay any sum so in default, and thereupon shall have and forthwith may assert a lien for such advances upon the trust estate and the proceeds thereof prior to the lien of the Bonds issued hereunder. In case the sums so advanced shall amount at any one time to as much as $300,000, the Trustee shall give notice of such advances and the purposes and amounts thereof by publication in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, at least once. A copy of such notice shall also be mailed by the Trustee on or before the date of such publication to the registered holders of Bonds(including coupon Bonds registered as to principal) at their last addresses appearing upon the registry books.

SECTION 6. The Railway Company shall diligently preserve all the rights and franchises to it granted and upon it conferred and shall, at all times, to the extent needful and proper for the efficient and economical operation of the properties of the Company, maintain, preserve and keep its said railroads in good repair, working order and condition, and shall, from time to time, make all needful and proper repairs, renewals and replacements thereto.

The Railway Company will, to the extent needful and proper for the efficient and economical operation of the properties of the Company, keep and maintain in good order and condition, reasonable wear and tear excepted, all equipment upon which, or upon the Railway Company's interest in which, this Indenture shall be or become a lien, and the Railway Company will use and apply for that purpose so much of the earnings of the mortgaged railroads and property as may be required for such maintenance of such equipment and will at all times keep said mortgaged railroads supplied with sufficient equipment.

SECTION 7. In case any shares of stock, bonds, evidences of indebtedness or other securities are at any time pledged hereunder, except shares of stock of The Duluth and Iron Range Rail Road Company and of Interstate Transfer Railway Company, the Railway Company will join with the Trustee in the execution of a supplemental indenture setting forth provisions for the control and release of such pledged securities in such form as may be at the time customary for the control and release of pledged securities under railroad mortgages. In case of any controversy between the Railway Company and the Trustee as to the terms of such supplemental indenture such controversy shall be finally and conclusively determined by any disinterested person who may be agreed upon by the

Railway Company and the Trustees, or in the absence of such agreement, by an umpire to be selected by the presiding justice of the Appellate Division of the Supreme Court of the State of New York, First Department.

So long as any of the shares of capital stock of The Duluth and Iron Range Rail Road Company and Interstate Transfer Railway Company, or of either of such companies, are pledged hereunder, the Trustee or the Railway Company may vote or consent in respect of said shares for the election of directors or in support of any proposal for the acquisition by the Railway Company of the property and assets of either or both of such companies, whether by the liquidation thereof or the consolidation or merger thereof with the Railway Company, or the sale, conveyance or transfer of the property and assets thereof to the Railway Company. Neither the Trustee nor the Railway Company shall at any time be entitled to vote or consent in respect of said shares except for the foregoing purposes, except in accordance with provisions for the control and release of pledged securities adopted as hereinafter provided. In case at any time while such shares or any thereof are pledged hereunder, either the Railway Company or the Trustee deems it advisable to enter into a supplemental indenture setting forth provisions for the control and release of such shares as are at the time pledged hereunder, the party deeming it so advisable will thereupon notify the other party who will join in the execution of such a supplemental indenture, which shall be in such form as may be at the time customary for the control and release of pledged securities under reilroad mortgages or, in case of any controversy, as hereinbefore provided.

In case at any time the assets of either The Duluth and Iron Range Rail Road Company or Interstate Transfer Railway Company are conveyed and transferred to the Railway Company and the real property and equipment of either of such companies, other than lands which have been granted by the State of Minnesota and which shall not be necessary or pertinent to the use, operation, management, maintenance, renewal, alteration or improvement of the railroad lines and railroad properties of the Railway Company, are conveyed, mortgaged, pledged and delivered to the Trustee by an indenture or indentures supplemental hereto in form satisfactory to the Trustee, the Trustee shall release from the lien of this Indenture and deliver to the Railway Company the certificates for the shares of stock of the company or companies whose aforesaid assets have been so conveyed, mortgaged, pledged and delivered.

SECTION 8. The Railway Company will duly observe and perform its covenants and obligations contained in any writing executed by it as a supplement to this Indenture as herein authorized.

SECTION 9. The Railway Company with all convenient speed will duly record, register and file and re-record, re-register and refile this Indenture and every indenture supplemental hereto which hereafter may be executed as may be required by law in order to protect the lien hereof on the property covered hereby or intended so to be, and will pay any recording, registration or filing tax or fee legally due upon the recording of this Indenture or of any indenture supplemental hereto or due at any time upon or in connection with the issuance of the Bonds hereunder, and will make such statements and do such acts now or hereafter as are or shall be required by it to be made or done under any law affecting the recording thereof or of any supplemental indenture.

SECTION 10. So long as any of the Bonds are outstanding, the Railway Company will not, after December 31, 1937, pay or declare any dividend or make any other distribution in respect of any shares of its stock of any class (other than dividends on stock of the

Railway Company payable in stock of the Railway Company) or apply any sum to the purchase or redemption of any shares of any class of stock of the Railway Company, if the total amounts of such dividends, distributions and applications exceed the aggregate net income of the Railway Company subsequent to December 31, 1937, unless, after the payment of any such dividend or the making of any such distribution or application the capital and surplus of the Railway Company shall be at least 125% of the principal amount of the Bonds then outstanding. Net income for the purposes of this Section shall be computed in accordance with the uniform system of accounts for steam railroads, or other similar regulations at the time in force, prescribed by the Interstate Commerce Commission or other governmental agency having jurisdiction.

SECTION 11. The Railway Company will not permit The Duluth and Iron Range Rail Road Company or Interstate Transfer Railway Company to issue any additional stock, bonds or other securities.

ARTICLE FIVE.

Remedies of Trustee and Bondholders.

SECTION 1. The Railway Company will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupon or claim for interest on any of the Bonds hereby secured, and it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding said coupons or claims for interest or in any other manner. If the time for payment of any such coupon or claim for interest shall be so extended whether or not by or with the consent of the Railway Company, such coupon or claim for interest shall not be entitled, in case of default hereunder, to the benefit of the security of this Indenture, except subject to the prior payment in full of the principal of all Bonds hereby secured and then outstanding and all coupons and interest on such Bonds the payment of which shall not have been extended; provided, however, that the foregoing provisions of this Section shall not be applicable to any coupon or claim for interest the time for the payment of which shall have been extended, if such extension be pursuant to a plan proposed by the Railway Company to all holders of Bonds secured hereby and then outstanding.

SECTION 2. If one or more of the following events, herein called the events of default, shall happen, that is to say:

(a) If default shall be made in the payment of any instalment of interest on any of the Bonds hereby secured when and as the same shall become payable, as therein expressed, and such default shall continue for ninety days; or

(b) If default shall be made in the payment of the principal of the Bonds hereby secured when the same shall become due and payable either by the terms thereof or otherwise as herein provided; or

(c) If default shall be made in the payment of any instalment of the sinking fund provided for in Article Three when and as the same shall become due and payable in accordance with the provisions of this Indenture, and such default shall continue for ninety days; or

(d) If default shall be made in the payment, observance or performance of any other of the covenants, conditions and agreements on the part of the Railway Company, its successors or assigns, in the Bonds hereby secured or in this Indenture or any indenture supplemental hereto contained, and such default shall continue for ninety days after written notice specifying such default shall have been given to the Railway Company by the Trustee, which notice may be given by the Trustee in

its discretion and shall be given on the written request of the holders of ten per cent. (10%) in principal amount of the Bonds hereby secured at the time outstanding; or

(e) If, by decree of a court of competent jurisdiction, the Railway Company shall be adjudicated a bankrupt, or an order shall be made approving a petition or an answer filed seeking re-organization or re-adjustment of the Railway Company under the Federal Bankruptcy Laws, or other law or statute of the United States of America, or of any state thereof, or, by order of such court, a trustee in bankruptcy or re-organization or a receiver shall be appointed of all or substantially all of the property of the Railway Company, and any such decree or order shall have continued unstayed on appeal or otherwise and in effect for a period of sixty days; or

(f) If the Railway Company shall file a petition in bankruptcy, or shall consent to the appointment of a receiver of all or any part of its property, or shall file a petition seeking re-organization or re-adjustment under the Federal Bankruptcy Laws, or other law or statute of the United States of America, or other similar Federal or state law, or an answer admitting the material allegations of such a petition, or shall file a petition to take advantage of any debtor's act;

then, and in each and every such case, the Trustee personally or by its agents or attorneys may enter into and upon all or any part of the mortgaged property, and each and every part thereof, and may exclude the Railway Company, its agents and servants, wholly therefrom, and having and holding the same may use, operate, manage and control said premises, and conduct the business thereof, either personally or by its agents, receivers or trustees, in such manner as the Trustee may deem to be to the best advantage of the holders of the Bonds hereby secured; and upon every such entry the Trustee at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and insure and keep insured, the property and structures erected or provided for use in connection with said railways and other premises, in the same manner and to the same extent as is usual with railroad companies, and likewise from time to time, at the expense of the trust estate may make all necessary or proper repairs, renewals and replacements, and useful alterations, additions, betterments and improvements thereto and thereon, and purchase or otherwise secure the use of additional engines, rolling stock, tools, machinery and other property for use thereon, as to such Trustee may seem judicious; and, in such case, the Trustee shall have the right to manage the trust estate and to carry on the business and exercise all rights and powers of the Railway Company, either in the name of the Railway Company or otherwise, as such Trustee shall deem best; and shall be entitled to collect and to receive all rates, fares, tolls, earnings, incomes, rents, issues and profits of the same and every part thereof, including the income from stock, bonds or other obligations subject to this Indenture; and after deducting the expenses of operating said railways and other premises, and of conducting the business thereof, and the cost of all repairs, maintenance, renewals, replacements, alterations, additons, betterments, and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the said premises and property, or any part thereof, as well as just and reasonable compensation for their services, and for all attorneys, counsel, agents, clerks, servants and other employees by the Trustee properly engaged and employed, the Trustee shall apply the moneys arising as aforesaid as follows:

(a) If the principal of none of the Bonds hereby secured shall have become due and be unpaid, first, to the payment of the interest in default, in the order

of the maturity of the instalments of such interest, with interest on such overdue instalments of interest at the rate expressed in the Bonds, such payments to be made ratably to the persons entitled thereto, without discrimination or preference, and, second, to the payment, ratably, of any moneys then due or overdue with respect to the sinking fund provided for in Article Three hereof, in accordance with the terms as herein or therein provided;

(b) If the principal of any of the Bonds hereby secured shall have become due, by declaration or otherwise, and shall be unpaid, first, to the payment of any interest in default on the Bonds, in the order of the maturity of the instalments of such interest, with interest on such overdue instalments of interest at the rate expressed in the Bonds, and, second (subject to the provisions of Section 3 of this Article), to the payment of the principal of all Bonds; in every instance such payments to be made ratably to the persons entitled to such payment, without any discrimination or preference.

These provisions, however, are not intended in any wise to modify the provisions of Section 1 of this Article.

SECTION 3. In case one or more of the events of default described in Section 2 of this Article shall happen, then, during the continuance of such default, the Trustee may and, upon the written request of the holders of twenty-five per cent. (25%) in principal amount of theBonds hereby secured then outstanding, the Trustee shall, by notice in writing delivered to the Railway Company, declare the principal of all Bonds hereby secured and then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Indenture or in said Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition, that, if at any time after the principal of said Bonds shall have been so declared due and payable, and before any sale of the mortgaged property shall have been made, all arrears of interest upon all such Bonds, and the expenses of the Trustee, its agents and attorneys, shall either be paid by the Railway Company, or be collected out of the trust estate before any sale of the trust estate shall have been made, and all other defaults made good to the satisfaction of the Trustee, then and in every such case the holders of a majority in principal amount of the Bonds hereby secured then outstanding, by written notice to the Railway Company and to the Trustee, may waive such default or defaults and its or their consequences and annul such declaration of the maturity of the principal of the Bonds; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture, by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Railway Company and the Trustee shall be restored to their former position and rights hereunder in respect of the trust estate and all rights, remedies and powers of the Trustee and of the Railway Company shall continue as though no such proceedings had been taken.

SECTION 4. If one or more of the events of default described in Section 2 of this Article shall happen, and shall be continuing, the Trustee, with or without entry, personally or by attorney, in its discretion may

(a) Sell to the highest bidder, all and singular the trust estate, property and premises, rights, franchises and interests and appurtenances, and other real

and personal property of every kind covered by this Indenture, and all right, title and interest, claim and demand therein, and right of redemption thereof, in one lot and as an entirety, unless a sale in parcels shall be required under the provisions of Section 6 of this Article, in which case such sale may be made in parcels as in said Section provided; which sale or sales shall be made at public auction at such place in the City of Duluth, in the State of Minnesota, or at such other place, and at such time and upon such terms, as the Trustee may fix and briefly specify in the notice of sale to be given as hereinafter in Section 7 of this Article provided; or

(b) Proceed to protect and enforce the rights of the Trustee and the rights of the holders of the Bonds secured by this Indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of their rights or duties hereunder.

Upon the written request of the holders of twenty-five per cent. (25%) in principal amount of the Bonds hereby secured and then outstanding, in case of any default made and continued as aforesaid, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all needful steps for the protection and enforcement of its rights and the rights of the holders of the Bonds hereby secured, and to exercise the powers of entry or sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the holders of the Bonds hereby secured.

SECTION 5. Anything in this Indenture contained to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds hereby secured and then outstanding, from time to time, shall have the right to direct and to control the method and place of conducting any and all proceedings for any sale of the premises hereby conveyed, mortgaged and pledged.

SECTION 6. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the trust estate shall be sold in one parcel, and as an entirety, unless the holders of a majority in principal amount of the Bonds hereby secured then outstanding shall in writing request the Trustee to cause said premises to be sold in parcels, in which case the sale shall be made in such parcels as may be specified in such request, or unless such sale as an entirety is impracticable by reason of some statute or other cause; and this provision shall bind the parties hereto and each and every of the holders of the Bonds and coupons hereby secured or intended so to be.

SECTION 7. Notice of any such sale pursuant to any provision of this Indenture, shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a daily newspaper printed in the English language and published and of general circulation in the City of Duluth, in the State of Minnesota, and in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, in the City of New York, in the State of New York, and in such other manner as may be

required by law.

SECTION 8. The Trustee from time to time may adjourn any sale to be made under the provisions of this Indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned.

SECTION 9. Upon the completion of any sale or sales under this Indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient bill or bills of sale and deed or deeds of conveyance of the property and franchises sold. The Trustee or its successor is hereby appointed the true and lawful attorney, irrevocable, of the Railway Company, in its name and stead to make all necessary deeds, bills of sale and conveyances of property thus sold; and for that purpose it may execute all necessary deeds and instruments of assignment and transfer and may substitute one or more persons with like power, the Railway Company hereby ratifying and confirming all that its said attorney shall lawfully do by virtue hereof. Nevertheless, the Railway Company, if so requested by the Trustee, shall join in executing all necessary deeds of conveyance and instruments of assignment and transfer.

Any such sale or sales made under, or by virtue of, this Indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Railway Company, of, in and to the premises and property sold, and shall be a perpetual bar, both at law and in equity, against the Railway Company, its successors and assigns, and against any and all persons claiming the premises and property sold, or any part thereof, from, through or under the Railway Company, its successors or assigns.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to this Indenture, shall be real estate for all the purposes of this Indenture, and shall be held and taken to be fixtures and appurtenances of the said railroads and part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

SECTION 10. The receipt of the Trustee or other person authorized to receive the same for the purchase money paid at any such sale shall be a sufficient discharge to any purchaser of the property, or any part thereof, sold as aforesaid and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof upon or for any trust or purpose of this Indenture, or, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 11. In case of such sale of the mortgaged property substantially as a whole, whether under the power of sale hereby granted, or pursuant to judicial proceedings, the principal of all Bonds hereby secured, if not previously due, immediately thereupon shall become and be due and payable, anything in said Bonds or in this Indenture contained to the contrary notwithstanding.

SECTION 12. The purchase money, proceeds and avails of any such sale hereunder, whether under the power of sale herein granted, or pursuant to judicial proceedings, together with any other sums which then may be held by the Trustee under any of the provisions of this Indenture, as part of the trust estate or of the proceeds thereof,

shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the property hereby conveyed, and to the payment of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other charges subject to which such sale shall have been made.

Second. To the payment of the whole amount then due and unpaid upon the Bonds hereby secured either for principal or instalments of interest, or for both, with interest at the rate expressed in the Bonds on overdue principal and on overdue instalments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid for principal and for instalments of interest, with interest at the rate expressed in the Bonds on overdue principal and on overdue instalments of interest, then to the payment of such principal and unpaid interest ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of any Bond over any other Bond, or of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, subject, however, to the provisions of Section 1 of this Article.

Third. To the payment of the surplus, if any, to the Railway Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 13. In case of any sale hereunder, any purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to use and apply any Bonds and any matured and unpaid coupons and interest obligations hereby secured, except as otherwise in Section 1 of this Article provided, by presenting such Bonds and coupons in order that there may be credited, as paid thereon, the sums payable out of the net proceeds of such sale to the holder of such Bonds and coupons, as his ratable share of such net proceeds, after the deduction of costs, expenses, compensations and other charges; and such purchaser shall be credited on account of the purchase price payable by him, with the sums payable out of such net proceeds, as shall be applicable to the payment of and that shall have been credited upon the Bonds and coupons so presented; and, at any such sale, any bondholder may bid for, and purchase, such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 14. The Railway Company covenants that (1) if default shall be made in the payment of any interest on any Bond at any time outstanding and secured by this Indenture, and such default shall have continued for ninety days, or (2) if default shall be made in the payment of the principal of any of such Bonds when the same shall become payable, whether at the maturity of said Bonds, or by declaration as authorized by this Indenture, or by a sale of the trust estate as hereinbefore provided, then upon demand of the Trustee for the benefit of the holders of the Bonds and coupons hereby secured, then outstanding, the whole amount then due and payable on such Bonds and coupons then outstanding, for interest or principal, or both, as the case may be; and in case the Railway Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as the trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, either before, or after, or during the pendency of, any proceedings for the enforcement of the lien of this Indenture upon the trust estate, and the right of the Trustee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy, for the enforcement of the provisions of this Indenture or the foreclosure of the lien thereof; and in case of a sale of the trust estate and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the Bonds hereby secured, and then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the mortgage debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee, and no levy of any execution upon any such judgment upon property subject to the lien of this Indenture or upon any other property, shall in any manner, or to any extent, affect the lien of this Indenture or of the Trustee upon the trust estate or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the holders of the Bonds hereby secured; but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustee under this section shall be applied by the Trustee, first to the payment of the costs and expenses of the proceedings resulting in the collection of such moneys, and of the expenses paid or incurred by the Trustee acting herein in theretofore managing and maintaining the trust estate, and then to the payment of the amounts then due and unpaid upon such Bonds for principal and interest, respectively, without any preference or priority of any kind, subject to the provisions of Section 1 of this Article, and ratably according to the amounts due and payable upon such Bonds for principal and instalments of interest, respectively, at the date fixed by the Trustee for the distribution of such money, upon presentation of the several Bonds and coupons and noting such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 15. The Railway Company will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of any stay or extension law now or at any time hereafter in force in any locality where the trust estate, or any part thereof, may or shall be situate, nor will it claim, take, or insist on, any benefit or advantage from any law now or hereafter in force, providing for the valuation, or appraisement, of the trust estate, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction, nor after any such sale or sales will claim or exercise any right under any statute enacted by any Commonwealth or State or the United States to redeem the property so sold or any part thereof; and it hereby expressly waives all benefit and advantage of any such law or laws; and it covenants that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

SECTION 16. If, in the event of a default by the Railway Company of the character and continuance indicated in Section 2 of this Article, a bill in equity shall be filed or any other judicial proceedings commenced to enforce any right of the Trustee or of the bondholders under this Indenture, then as matter of right, the Trustee shall be

entitled to the appointment of a receiver of the trust estate and of the earnings, income, revenue, rents, issues or profits thereof, with such powers as the court making such appointment shall confer, but notwithstanding the appointment of any such receiver, the Trustee, as pledgee, shall be entitled to continue to retain possession and control of any stocks, bonds, obligations, cash and other property pledged or to be pledged with the Trustee hereunder.

SECTION 17. If the Railway Company shall make default in any of the respects mentioned in Section 2 of this Article, and (1) at any time during the continuance of such default there shall be any existing judgment against the Railway Company unsatisfied and unsecured by bond on appeal; or (2) in any judicial proceeding referred to in paragraphs (e) or (f) of Section 2 of this Article any court of competent jurisdiction shall have taken under its control, whether through a receiver, trustee or otherwise the property of the Railway Company, or a judgment or order be entered for the sequestration of its property; or (3) in case of default in payment of interest specified in subdivision (a) of said Section 2 of this Article, the Railway Company shall admit to the Trustee its inability to make good such default within the period of grace in said Section mentioned; the Trustee, without waiting the period of grace, if any, in said Section specified in respect of such default, shall thereupon be entitled forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided, and as a matter of right the Trustee shall thereupon be entitled (a) to the appointment of a receiver of the trust estate, and of the earnings, income, revenue, rents, issues and profits thereof, with such powers as the court making such appointment shall confer, (b) to the entry of an order directing that the rents, issues, tolls, profits and other income of the premises and property described in or covered by the lien hereof be segregated, sequestered and impounded from and after the date of the institution of any judicial proceedings of the nature referred to in paragraphs (e) and (f) of Section 2 of this Article, for the benefit of the Trustee and the bondholders.

The Railway Company hereby irrevocably consents to the appointment of such receiver or the entry of such order, as the case may be.

SECTION 18. With the consent of the Trustee, at any time before full payment of the Bonds hereby secured, and whenever the Railway Company shall deem it expedient for the better protection and security of such Bonds, although there be then no default entitling the Trustee to exercise the rights and powers conferred by Section 2 of this Article, the Railway Company may surrender and deliver to the Trustee full possession of the whole or any part of the trust estate then being in the possession of the Railway Company, for any period fixed or indefinite. Upon such surrender and delivery to the Trustee, the Trustee may enter into and upon the property and premises so surrendered and delivered, and may take and receive possession thereof, for such period fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said property and premises, or of any part thereof, the Trustee entering upon such possession, from the time of entry, may work, maintain, use, manage, control and employ the same in accordance with the provisions of this Indenture and may receive and apply the income and revenues thereof as provided in

Section 2 of this Article. Upon application of the Trustee and with the consent of the Railway Company, if then there be no continuing default such as is specified in said Section 2 of this Article, and without such consent, if then there shall be such a continuing default, a receiver may be appointed to take possession of, and to operate, maintain and manage, the whole or any part of the property subject to this Indenture, and the Railway Company shall transfer and deliver to such receiver all such property, wheresoever the same may be situated; and in every case, when a receiver of the whole or any part of said property shall be appointed under this Section 18, or otherwise, the net income and profits of such property shall be paid over to, and shall be received by, the Trustee for the benefit of the holders of the Bonds, ratably and without preference or priority of any kind; provided, however, that notwithstanding the appointment of any such receiver, the Trustee, as pledgee, shall be entitled to retain possession and control of any stocks, bonds, obligations, cash and other property pledged or to be pledged with the Trustee hereunder.

SECTION 19. No holder of any Bond or coupon hereby secured shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust thereof, or for relief of the character referred to in paragraphs (e) and (f) of Section 2 of this Article, including the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of such default and of the continuance thereof, as hereinbefore provided, nor unless, also, the holders of twenty-five per cent. (25%) in principal amount of the Bonds hereby secured then outstanding shall have made written request upon the Trustee and shall have offered to it reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; nor unless, also, they shall have offered to the Trustee reasonable security and indemnity to it against the costs, expenses and liabilities to be incurred therein or thereby, nor unless the Trustee shall have refused or neglected to act upon such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action, or cause of action, for foreclosure or relief of the character referred to in paragraphs (e) and (f) of Section 2 of this Article, including the appointment of a receiver or trustee, or for any other remedy hereunder; it being understood and intended that no one or more holders of Bonds and coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of all holders of such outstanding Bonds and coupons. All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or coupons hereby secured or the production thereof on the trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name; and any recovery of judgment shall be for the ratable benefit of the holders of said Bonds and coupons and any other obligations hereby secured.

SECTION 20. Except as herein expressly provided to the contrary no remedy herein conferred upon, or reserved to the Trustee, or to the holders of Bonds or coupons hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy

shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

SECTION 21. No delay or omission of the Trustee, or of any holder of Bonds or coupons hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the bondholders, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the bondholders severally and respectively.

SECTION 22. The Trustee shall have power to institute and maintain suits or proceedings to restrain the enforcement of, or compliance with, or the observance of, any legislative or governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, or observance of, such enactment, rule or order would in the judgment of the Trustee impair the security hereunder or be prejudicial to the Trustee or to the holders of the indebtedness hereby secured.

SECTION 23. The Trustee is hereby irrevocably appointed (and the successive respective holders of Bonds and interest coupons issued hereunder, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Bonds and interest coupons issued hereunder, with authority to make or file, irrespective of whether the Bonds or any of them are in default as to payment of principal or interest, in the respective names of the holders of the Bonds or interest coupons, or in behalf of all holders of the Bonds or interest coupons as a class, any proof of debt, amendment to proof of debt, petition or other document, to receive payment of any sums becoming distributable on account thereof, and to execute any other papers and documents and to do and perform any and all acts and things for and in behalf of the respective holders of the Bonds or interest coupons, or in behalf of all such holders as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the respective claims of the holders of the Bonds or interest coupons against the Railway Company allowed in any equity receivership, insolvency, liquidation, bankruptcy, debtor reorganization or other proceedings to which the Railway Company shall be a party, and to receive payment of or on account of such claims; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the bondholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the bondholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees, incurred by it up to the date of such distribution.

SECTION 24. For the purposes of this Article, any Bonds which have been authenticated by the Trustee but never disposed of by the Railway Company, or which, although disposed of by the Railway Company, have been returned to or reacquired by it and are held in its treasury, shall not be deemed to be outstanding or entitled to the security or benefits hereof.

ARTICLE SIX.

Immunity of Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement of this Indenture or in any Bond or because of the creation of any indebtedness secured by this Indenture shall be had against any incorporator, stockholder, officer or director, past, present

or future, of the Railway Company or of any successor corporation either directly or through the Railway Company, or any other person, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that any and all personal liability of every name and nature and any and all rights and claims against each and every incorporator, stockholder, officer or director of the Railway Company, past, present or future, arising under or by reason of the Bonds or this Indenture, whether arising at common law or in equity or created by statute or constitution, are hereby expressly waived and released as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds.

ARTICLE SEVEN.

Bondholders Acts, Holdings and Apparent Authority.

Any demand, request or other instrument required by this Indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholder in person or by agent appointed in writing. Proof of the execution of any such demand, request or other instrument, or of a writing appointing any such agent, and of the ownership by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture, and may be received as conclusive by the Trustee if made in accordance with the provisions of this Article.

The fact and date of the execution of any such demand, request or other instrument or writing may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person executing such document had acknowledged the act to such officer, or by an affidavit of a witness to such execution.

The fact of the holding by any person of Bonds transferable by delivery, and the amounts and distinctive numbers of such Bonds, and the date of such holding (which holding the Trustee may deem to continue until the Trustee shall have received notice in writing to the contrary), may be proved by a certificate executed by any trust company, bank, banker or other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, setting forth that on the date therein mentioned such person had on deposit with such depositary the Bonds described in such certificate; or such facts may be proved by the certificate or affidavit of such person, if such proof shall be satisfactory to the Trustee.

The fact of date and execution of any demand, request or other instrument, and the amount and numbers of Bonds held by the person by or for whom such request or other instrument is executed may also be proved in any other manner which the Trustee may deem sufficient.

The ownership of registered Bonds shall be proved by the registers of such Bonds, or by a certificate of the registrar thereof.

Any request, consent or vote of the holder or registered owner, as the case may be, of any Bond shall bind all future holders of the same Bond, and of Bonds issued in exchange therefor or in place thereof, in respect of anything done, omitted or suffered by the Trustee in pursuance of such request, consent or vote.

ARTICLE EIGHT.

Releases of Mortgaged Property.

SECTION 1. From time to time the Railway Company, subject to the conditions and limitations in this Article prescribed, and not otherwise, may sell, exchange for other property or otherwise dispose of, and the Trustee, upon the delivery to the Trustee of the resolutions, opinion and certificates as in Sections 3 or 4 of this Article provided, shall release from the lien and operation of this Indenture:

(a) Any part of the lines of railroad which are or shall be at any time subject to this Indenture or any leasehold, easement, trackage right or other interest or undivided or part interest therein, or any part thereof, which is or shall be at any time subject to this Indenture, provided:

(1) that in the judgment of the Board of Directors of the Railway Company, evidenced by resolution of said Board delivered to the Trustee, it shall no longer be necessary or expedient to retain such part of said lines of railroad or such leasehold, easement, trackage right or other interest or undivided or part interest therein, or part thereof, as a part of the system of the railroads subject to this Indenture, as aforesaid;

(2) that in the judgment of the Board of Directors of the Railway Company, similarly evidenced, the Railway Company is not thereby prevented from maintaining and operating over lines of railroad subject in whole or in part to this Indenture or owned by an affiliated company or a company jointly owned by the Railway Company and another company or companies engaged in railroad transportation, a continuous main line railroad system substantially as direct and available for transportation purposes as the continuous railroad system maintained and operated by the Railway Company at the date of execution and delivery of this Indenture, or that in the judgment of the Trustee the release so requested will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders. In exercising such judgment or any similar judgment under this Article the Trustee shall be entitled to rely on the opinion of an independent engineer or other recognized independent authority to be selected by the Trustee to the effect that the proposed action will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders.

(b) Any real estate or other property and any rights or interests in property, including air rights, not hereinafter in this Article specifically mentioned, which, in the judgment of the Board of Directors of the Railway Company, evidenced by resolution of said Board delivered to the Trustee, as aforesaid, it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to this Indenture, or for use in the business of the Railway Company.

SECTION 2. The Railway Company may at any time, provided the general integrity and continuity of its lines be not broken thereby, make any change in location of its lines, tracks, station houses, buildings, or other structures situated upon any part of the trust estate, and in case of a change in location to premises not subject to the lien of this Indenture, the Trustee, subject to the provisions of Section 3 of this Article, at the request of the Railway Company and upon subjection to the lien of this Indenture of such premises and the new or relocated lines, tracks, station houses, buildings, or other structures erected thereon, shall release from the lien of this Indenture the premises upon which the lines, tracks, station houses, buildings or other structures

were originally located, and any part of such lines, tracks, station houses, buildings or other structures unremoved and remaining thereon, and shall execute and deliver any and all instruments necessary and proper to effect such purpose.

SECTION 3. Whenever requesting action by the Trustee pursuant to the foregoing Sections of this Article, the Railway Company shall deliver to the Trustee, in addition to the resolution required by Section 1 of this Article:

(1) A certified copy of resolutions of the Board of Directors of the Railway Company requesting the release of the property sold, exchanged or otherwise disposed of;

(2) A certificate signed by the President or a Vice-President and by the Chief Engineer and by the Comptroller, Auditor or other chief accounting officer of the Railway Company, which shall set forth:

(a) A description of the property a release of which is requested;

(b) The selling price of the property a release of which is requested, or a description of the property, if any, to be received in exchange for the property a release of which is requested or to be substituted therefor;

(c) The fair value of the property a release of which is requested; and if any property is to be received in exchange, or is to be substituted therefor, the fair value thereof; and

(d) Such additional matters as it shall be necessary to establish in order to show that the release of the property forming the subject of such request is authorized under the provisions and restrictions of this Article.

(3) A certificate or opinion signed by the General Counsel or General Solicitor of the Railway Company, stating that the action so requested is authorized by the provisions of this Article, and that the resolutions and certificates furnished to the Trustee in connection therewith are in compliance with the provisions of this Section 3.

(4) If the property a release of which is requested is to be sold, the consideration received therefor or the fair value of such property, whichever is greater; and if such property is to be exchanged or other property substituted therefor, the amount, if any, by which the fair value of the property a release of which is requested exceeds the fair value of the property to be received in exchange or to be substituted therefor.

SECTION 4. (a) The Trustee shall, from time to time, release from the lien of this Indenture any franchise or portion thereof which shall have been or is to be surrendered by the Railway Company, and any tracks, rights-of-way, structures, leasehold interests and trackage or other rights which shall have been or are to be removed or abandoned by it, provided:

(1) that such surrender of franchise or such removal or abandonment of tracks, structures, leasehold interests and trackage or other rights shall be or shall have been made pursuant to, where such authority is lawfully required to be obtained, the authority of the Interstate Commerce Commission or other public authority having jurisdiction in the premises or by virtue of or pursuant to an agreement with a state, municipality or other division or subdivision of a state, or by virtue of or pursuant to legal requirement;

(2) that the Railway Company, so far as may be permitted by law, shall retain all franchises, tracks, structures, leasehold interests and trackage or other rights

necessary or proper to entitle it to maintain and operate a continuous railroad system in the manner set forth in sub-paragraph (2) of paragraph (a) of Section 1 of this Article except to the extent that in the judgment of the Trustee failure to retain the same will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders;

(3) that the revenues or benefits received from the exercise of such franchise or the use or operation of such tracks, structures, leasehold interests and trackage or other rights are not sufficient to justify the continued exercise of such franchise or the continued use or operation of such tracks, structures, leasehold interests and trackage or other rights.

(b) Whenever requesting any action under this Section of the Railway Company shall deliver to the Trustee:

(1) A certified copy of resolutions of the Board of Directors of the Railway Company requesting the release of the property so surrendered, removed or abandoned;

(2) A certificate signed by the President or a Vice-President and by the Chief Engineer and by the Comptroller, Auditor or other chief accounting officer of the Railway Company, which shall state:

(i) that after such surrender, removal or abandonment the Railway Company, so far as permitted by law, has retained or will retain, as the case may be, all franchises, tracks, structures, leasehold interests, trackage or other rights necessary or proper to enable it to maintain and operate a continuous railroad system in the manner set forth in sub-paragraph (2) of paragraph (a) of Section 1 of this Article, except to the extent that in the judgment of the Trustee failure to retain the same will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders;

(ii) that the revenues or benefits received from the exercise of such franchise or from the use or operation of such tracks, structures, leasehold interests and trackage or other rights are not sufficient to justify the continued exercise of such franchise or the continued use or operation of such tracks, structures, leasehold interests and trackage or other rights; and

(iii) if any of the franchises or other property so surrendered, removed or abandoned are sold by the Railway Company, the salvage value thereof and the consideration received or to be received therefor; and if any of such franchises or other property are exchanged by the Railway Company, the salvage value thereof and the fair value of the property, franchises or other rights to be received in exchange therefor.

(3) A certificate or opinion signed by the General Counsel or General Solicitor of the Railway Company stating either (1) that such surrender, removal or abandonment has been or will be made pursuant to the authority of the Interstate Commerce Commission or other public authority having jurisdiction in the premises or by virtue of or pursuant to an agreement with a state, municipality or other division or subdivision of a state, or by virtue of or pursuant to legal requirement (in which event the Trustee shall also be furnished with a certified copy of the order relating thereto of the Interstate Commerce Commission or other public authority or of the agreement relating thereto, if any there be); or (2) that no such authority is lawfully required to be obtained.

(4) If any of the franchises or other property so surrendered, removed or abandoned are sold by the Railway Company, the salvage value thereof or the consideration received therefor, whichever is greater; and if any of such franchises or other property are exchanged by the Railway Company, the amount, if any, by which the fair value of the franchise or other property so surrendered, removed or abandoned exceeds the fair value of the property, franchises or other rights to be received in exchange therefor.

SECTION 5. The Railway Company may from time to time sell, exchange or otherwise dispose of free from the lien of this Indenture and without release by the Trustee, any of the property at any time subject to the lien hereof and not used or useful for railroad purposes, not exceeding in any one calendar year a total of Fifty Thousand Dollars ($50,000) in value at the date of disposition, the Railway Company agreeing in each case that it shall expend the proceeds of any such sale or other disposal to replace the property so sold or otherwise disposed of by other property not necessarily of the same character which in its judgment is of at least equal value and utility, and that all such substituted property and all property received in exchange for property which was subject to the lien hereof, which shall be at least of equal value and utility to the property which was subject to the lien hereof, shall forthwith or by appropriate supplemental indenture become subject to the lien hereof.

In order to clear the title of record of the property sold, exchanged or otherwise disposed of in accordance with this Section the Trustee shall from time to time, at the request of the Railway Company, execute and deliver confirmatory releases or certificates that such property is free from the lien of this Indenture upon receiving a certificate signed by the President or a Vice-President and the Secretary or an Assistant Secretary of the Railway Company specifying the property to be released, stating that it is not used or useful for railroad purposes and stating the value of all property theretofore sold, exchanged or otherwise disposed of by the Railway Company pursuant to the terms of this Section within the calendar year in which the request for release is made.

The Railway Company will deliver annually in the month of January to the Trustee a certificate signed by its President or a Vice-President and by its Secretary or an Assistant Secretary setting forth in detail all property and the value thereof sold, exchanged or otherwise disposed of free from the lien of this Indenture within the previous calendar year and all replacements of such property so sold or otherwise disposed of.

SECTION 6. If by final decree of any court having jurisdiction in the premises the Railway Company shall be required to part with the ownership, possession or operation of any portion or portions of the trust estate, then in that event the portion or portions with which it may be so required to part shall, notwithstanding the foregoing provisions of this Article, be released from the lien of this Indenture.

(a) if the Trustee is a party to the action or proceeding in which such decree shall have been entered, then on such terms and conditions as in such decree may be prescribed; or

(b) if the Trustee shall not be a party to such action or proceeding, then on such terms and conditions as may be satisfactory to the Trustee in its discretion, or on such terms and conditions as may be prescribed by the decree of any court of competent jurisdiction in an action or proceeding brought by the Trustee or to which it is a party; and

(c) upon receipt by the Trustee of any consideration received by the Railway Company for the portion or portions of the trust estate so to be released or upon making arrangements satisfactory to the Trustee for the subsequent receipt by the Trustee of such consideration.

SECTION 7. The resolutions, opinions and certificates hereinbefore provided to be furnished to the Trustee may be received by the Trustee as conclusive evidence of any of the facts or of the continuance of any condition or of anything by this Article required to be established or shown in order to authorize the action sought in respect of any property forming the subject of resolutions, opinions and certificates, and shall be full warrant to the Trustee for any action taken on the faith thereof, but the Trustee, in its discretion, may require, at the cost and expense of the Railway Company, such further and additional evidence as to it may seem reasonable.

SECTION 8. The Railway Company shall have full power in its discretion and without notice to or action by the Trustee from time to time.

(a) (1) To alter, remove, demolish or retire from service any building or structure or mine or industrial spur or other property on the trust estate which may have become unfit or undesirable for use or which it may deem necessary to alter, remove, demolish or retire in connection with the maintenance or operation of or in the improvement of the trust estate, and (2) to dispose of any portion of the fixtures, equipment, machinery, apparatus, implements, furniture, materials, supplies and portable personal property at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous longer to retain for use upon the trust estate; in each case replacing the same with, or substituting therefor, other properties, not necessarily of the same character but having a value at least equal to the then value of the old property at the time of its disposition or, if it be sold to the consideration therefor received by the Railway Company, and such new property shall become subject to the lien of this Indenture.

(b) To make any lease of, or to grant trackage rights upon, the trust estate, or any part thereof, or to enter into any contract affecting the same, subject to the prior lien of this Indenture, but nothing in this Section contained shall be construed as giving the Railway Company power to make any such lease, or to grant any such trackage rights, or to enter into any such contract, unless such lease, trackage rights or contract shall be subordinate to the prior lien of this Indenture.

(c) To make changes or alterations in, or substitutions for, any leases, trackage rights, agreements or contracts, the rights of the Railway Company under which are subject to this Indenture; provided, that the Railway Company is not thereby prevented (except to an extent which in the judgment of the Trustee will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders) from maintaining and operating a continuous railroad system in the manner set forth in subparagraph (2) of Paragraph (a) of Section 1 of this Article. Any changed, amended, or supplemental lease, trackage rights or contract forthwith shall be subject to this Indenture in the same manner and to the same extent as that previously existing.

SECTION 9. All moneys received for property released as provided in this Article, and all moneys receivable as compensation for any property subject to this Indenture taken by the exercise of the power of eminent domain, and any and all other moneys at

any time receivable by the Trustee, except to the extent that any such moneys shall be applied in accordance with the provisions of this Indenture particularly applicable thereto, shall be received and held by the Trustee as part of the trust estate and, if no event of default shall have happened and be continuing, at the request of the Railway Company shall be applied by the Trustee from time to time as hereinafter provided to the purchase of Bonds secured by this Indenture and then outstanding, at a price or prices not exceeding the fair market value thereof at the time of purchase, or the then current redemption price of the Bonds purchased, whichever is less, or to the redemption of Bonds in the manner specified in Article Two of this Indenture, or may be paid over to the Railway Company by the Trustee, upon the conditions hereinafter set forth, in reimbursement for expenditures made by the Railway Company for additions, betterments or improvements to the mortgaged property, used or useful upon or in connection with the railroads of the Railway Company and subject to the lien of this Indenture as a first lien.

In case the Railway Company shall desire any such moneys to be applied by the Trustee to the purchase of Bonds the Railway Company shall deliver or cause to be delivered to the Trustee the following instruments:

(a) A copy of a resolution of the Board of Directors of the Railway Company in form satisfactory to the Trustee, certified by the Secretary or an Assistant Secretary of the Railway Company under its corporate seal, requesting the Trustee to apply a specified amount of such moneys to the purchase of a specified aggregate principal amount of Bonds issued and outstanding hereunder, the serial numbers of which Bonds shall be set forth in the resolution.

(b) The Bonds described in said resolution either in bearer form or accompanied by proper instruments of transfer, and having attached thereto any and all interest coupons then unmatured.

(c) A statement, in form satisfactory to the Trustee, signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Railway Company, certifying (1) that the Bonds so delivered had previously been actually negotiated by the Railway Company for value; (2) that the Railway Company had bona fide purchased or contracted to purchase said Bonds at prices (exclusive of accrued interest) to be set forth in said statement; and (3) that the Railway Company is not, so far as is known to the officers signing such statement, in default with respect to the performance or observance of any covenant or agreement contained in this Indenture.

Upon delivery to the Trustee of the instruments required by the foregoing provisions of this paragraph, the Trustee shall pay to or upon the order of the Railway Company, signed by its Treasurer or an Assistant Treasurer, from the moneys then held by it hereunder, the sum specified in said resolution, provided, that such sum shall in no event exceed the aggregate price paid or payable for said Bonds as set forth in the statement then delivered to the Trustee or the redemption price of such Bonds then payable, if that be lower.

In case the Railway Company shall desire any such moneys to be applied by the Trustee to the redemption of Bonds, the Railway Company shall deliver to the Trustee the following instruments:

(a) A copy of a resolution of the Board of Directors of the Railway Company in form satisfactory to the Trustee, certified by the Secretary or an Assistant Secretary of the Railway Company under its corporate seal, requesting the Trustee

to apply, on a date to be specified therein (which date shall not be less than seventy days after the date of the receipt of said resolution by the Trustee), a specified amount of such moneys to the redemption of Bonds issued hereunder; provided, that the date so specified shall be a date upon which Bonds may be redeemed according to their terms.

(b) A certificate, in form satisfactory to the Trustee, signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Railway Company certifying that the Railway Company is not, so far as is known to the officers signing such certificate, in default with respect to the performance or observance of any covenant or agreement comtained in this Indenture.

Upon delivery to the Trustee of the instruments required by the foregoing provisions of this paragraph, the Trustee shall, from said moneys then held by it hereunder, set aside the amount specified in said resolution, and J. P. Morgan & Co., as paying agent, shall select by lot as provided in Article Two hereof, a sufficient number of such Bonds to absorb the moneys so set apart at the redemption price of such Bonds payable on a specified redemption date; and the Railway Company shall thereupon cause notice of redemption of the Bonds so selected to be given by publication and mailing in substantially the manner provided in Article Two hereof for the redemption of Bonds, and with like effect, and, on and after the redemption date, the Trustee shall apply the moneys so set aside to the redemption of such Bonds in accordance with the provisions relating thereto, provided accrued interest on such Bonds to the date fixed for redemption be provided by the Railway Company otherwise than out of such moneys. The paying agent or the Railway Company will forthwith deliver to the Trustee any Bonds so redeemed which shall come into the possession of the paying agent or the Railway Company.

All Bonds secured by this Indenture so purchased or redeemed shall be cancelled by the Trustee and the coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Railway Company and to the paying agent, and no Bonds shall be issued in lieu thereof. The cancelled registered Bonds shall be returned to the bond registrar.

In case the Railway Company shall desire any such moneys to be applied by the Trustee in reimbursement for expenditures made by the Railway Company for additions, betterments or improvements to the mortgaged property, the Trustee shall pay such moneys to or upon the written order of the Railway Company signed by its President or a Vice-President requesting such payment and accompanied by the certificate or certificates in this Section specified and the opinion or opinions of counsel in Section 10 of this Article specified. Such payments shall be made in a sum not exceeding the cost or the fair value at the time of the application, whichever is less, of the property acquired or of additions, betterments or improvements to the mortgaged property as set forth in the certificate or certificates hereinafter in this Section specified.

The certificate or certificates to be delivered to the Trustee shall be signed by the President or a Vice-President, the Chief Engineer and also by the Comptroller, Auditor or other chief accounting officer of the Railway Company, shall be dated not more than sixty days prior to the date of the application to the Trustee, and shall state:

(a) That moneys to an amount specified in said application of the Railway Company have been actually expended for property acquired or for additions, betterments or improvements to the mortgaged property, describing briefly each

particular purpose and specifying the amount of money actually expended for each of said stated purposes;

(b) That the amount of said respective expenditures indicated in such certificate is not in excess of the cost or the then fair value, whichever is less, of the property constructed or acquired or the work done;

(c) That such certified expenditures have not been reimbursed or provided for out of the proceeds of insurance or insurance reserves or by the payment of deposited cash to the Railway Company under any provision of this Indenture or under any provisions of any prior mortgage, or out of the proceeds of any prior debt;

(d) That no part of such certified expenditures was or will be properly chargeable to the operating or maintenance expenses of the Railway Company and that all of such expenditures are properly chargeable to capital account;

(e) That such expenditures have been made for acquisition of property or for the making of additions, betterments and improvements subsequent to December 31, 1937, and within five years of the date of such application; and

(f) That the Railway Company is not, so far as is known to the officers signing such statement, in default with respect to the performance or observance of any covenant or agreement in this Indenture.

SECTION 10. Any property or rights received by the Railway Company in exchange or substitution for any property or rights released from the lien of this Indenture or which are made the basis of the withdrawal of deposited moneys shall be and become subject to this Indenture as a first lien as fully as if specifically mortgaged hereby, but, if requested by the Trustee, the Railway Company will convey the same to the Trustee, or declare the Trustee's interest therein, by appropriate deeds, assignments or declarations upon the trusts and for the purposes of this Indenture, and the Railway Company shall furnish to the Trustee the written opinion of counsel, who may be counsel for the Railway Company, to the effect that such deeds, assignments or declarations are sufficient for that purpose, or in lieu thereof that no such deeds, assignments or declarations are necessary for such purpose.

SECTION 11. The purchaser of any property released shall not be required to see to the application of the purchase money.

SECTION 12. In case the trust estate shall be in possession of a receiver or a trustee in bankruptcy or a trustee in reorganization proceedings, the powers conferred by this Article upon the Railway Company may be exercised by the receiver or trustee with the approval of the Trustee, and if the Trustee shall be in possession of the trust estate under any provision of this Indenture, then all the powers by this Article conferred upon the Railway Company may be exercised by the Trustee in its discretion. In case of the exercise of said powers by a receiver or trustee, such receiver or trustee shall deliver to the Trustee, in lieu of the resolutions, certificates and opinion by this Article required to be delivered to the Trustee by the Railway Company, appropriate orders of court, certificates of such receiver or trustee and opinion of counsel to such receiver or trustee.

SECTION 13. Anything in this Article to the contrary notwithstanding, the Trustee may, but shall not be required to, release to the Railway Company from the lien of this Indenture any property subject to the lien hereof as in and by this Article provided for, notwithstanding that at the time such release be requested, any of the events of default enumerated in Section 2 of Article Five of this Indenture shall have happened and be

Company upon such conditions as the bondholders may direct;

(c) sanction any plan for the reorganization, readjustment or liquidation of the Railway Company;

(d) authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the mortgaged property any securities of any corporation formed or to be formed;

(e) require the Trustee to exercise or refrain from exercising any of the powers conferred upon it by this Indenture and to direct the manner of the exercise of any such power or to waive any default on the part of the Railway Company, other than the non-payment of any principal moneys at maturity or interest when due, upon such terms as may be decided upon;

(f) authorize the Trustee to bid at any sale of the mortgaged property, or any part thereof, and to tender in payment or part payment on account of any property so purchased, all or any part of the Bonds then outstanding, and to give the Railway Company a valid discharge in respect of the amount of Bonds so tendered, and to hold any property so purchased and any part of the Bonds then outstanding so tendered, in trust for all of the holders of outstanding Bonds pro rata in proportion to the amounts held by them respectively before making such tender.

Provided, however, that anything in this Article to the contrary notwithstanding, the bondholders shall have no power to (a) extend the maturity of any Bonds, or reduce the rate of interest thereon, or otherwise modify the terms of payment of such principal (other than a modification of the sinking fund provisions) or interest without the consent of the holder of each Bond so affected, or (b) effect a reduction of the percentage required for any change or alteration or modification or compromise as aforesaid without the consent of the holders of all the outstanding Bonds.

SECTION 7. Any such resolution so passed at a meeting of the bondholders duly convened and held shall be binding upon all bondholders, whether present or not at such meeting, and each of the bondholders and the Trustee shall be bound to give effect thereto accordingly, and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

SECTION 8. Minutes of all resolutions and proceedings at every such meeting shall be made and duly recorded in the books to be from time to time provided for that purpose by the Trustee, at the expense of the Railway Company, and any such minutes, if signed by the chairman and secretary of the meeting at which such resolutions were passed or proceedings had, shall be conclusive evidence of the matters therein contained, and, until the contrary is proved, every such meeting, with respect to the proceedings of which minutes have been made, shall be deemed to have been duly held and convened, and all resolutions passed and proceedings had thereat, to have been duly passed and had.

ARTICLE FOURTEEN

Miscellaneous Provisions.

SECTION 1. Any moneys received by the Sinking Fund Agent or any paying agent under any provision of this Indenture shall be held in trust until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the

general funds of the Sinking Fund Agent or paying agent and need not be redeposited or invested by it. Neither the Sinking Fund Agent nor any paying agent shall be under any liability for interest on any such moneys except such as during the period held it may agree with the Railway Company to pay thereon. During the continuance of an event of default under this Indenture, of which the Trustee shall have given written notice to any paying agent, any such moneys held by such paying agent shall upon the written request of the Trustee be paid over to it to be held by its subject to the same trusts as those for which such moneys were held by such paying agent.

SECTION 2. Nothing in this Indenture express or implied is intended or shall be construed to give to any person or corporation other than the parties hereto and the holders of the Bonds secured by this Indenture, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision herein contained; all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto and of the holders of the Bonds hereby secured.

The terms "this Indenture" or "Indenture" shall mean this Indenture, either as originally executed or as the same may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to any of the provisions hereof.

The First National Bank of the City of New York, party of the second part hereto, hereby accepts the trusts in this Indenture declared and provided and agrees to perform the same upon the terms and conditions herein set forth.

For the purpose of facilitating the recording of this Indenture, the same may be executed simultaneously in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

This Indenture is dated, for convenience, October 1, 1937, although executed and delivered on the date of the acknowledgment hereof by the Trustee; and the same shall be effective from the date on which it is so executed and delivered.

IN WITNESS WHEREOF, Duluth, Missabe and Iron Range Railway Company has, in pursuance of the resolutions aforesaid of its Board of Directors and the aforesaid consent of its stockholders, caused its corporate name to be signed by its President or a Vice-President, and its corporate seal to be affixed hereto, attested by its Secretary or an Assistant Secretary; and The First National Bank of the City of New York, for the purpose of testifying its acceptance of the trust hereby created, has also caused its corporate name to be signed by its President, or a Vice President, and its corporate seal to be affixed hereto, attested by its Cashier or Assistant Cashier, all as of the day and year first above written.

Duluth, Missabe and Iron Range
Railway Company

(CORPORATE SEAL)

By C. E. CARLSON
President.

Attest:

J. W. KEMPTON
Secretary.

Signed, sealed and delivered in the
presence of

CLARENCE J. HARTLEY

D. M. STALKER

As to Duluth, Missabe and Iron Range Railway Company.

(CORPORATE SEAL)

THE FIRST NATIONAL BANK OF THE
CITY OF NEW YORK
By HENRY S. STURGIS
Vice-President.

Attest:

S. L. SEARLES
Assistant Cashier.

Signed, sealed and delivered in the
presence of

T. A. DOOLING

F. J. CRAWFORD

As to The First National Bank of the City of New York

STATE OF NEW)
)SS.:
COUNTY OF NEW YORK)

On this 31st day of January, 1938, before me, a Notary Public of the State of New York, in and for the County of New York, personally came and appeared C. E. CARLSON, President, and J. W. KEMPTON, Secretary of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, to me personally known and known to be to be such President and Secretary, respectively, of said corporation, and known to me to be the persons who executed the foregoing Indenture on behalf of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, who being by me duly and severally sworn, did severally say that the said C. E. CARLSON is the President, and the said J. W. KEMPTON is the Secretary of Duluth, Missabe and Iron Range Railway Company, that the seal affixed to the foregoing Indenture is the corporate seal of said corporation, that said Indenture was executed in behalf of said corporation by authority of its Board of Directors, and they severally acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.

(Notarial Seal)

G. N. WHITE
Notary Public.

G. N. White, Notary Public
New York Co. 141. Register 9-W-13
My Commission expires March 30, 1939

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On this 31st day of January, 1938, before me, a Notary Public of the State of New York, in and for the County of New York, personally came and appeared HENRY S. STURGIS, Vice-President, and S. L. SEARLES, Assistant Cashier of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, to me personally known and known to me to be such Vice-President and Assistant Cashier, respectively, of said corporation, and known to me to be the persons who executed the foregoing Indenture on behalf of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, who being by me duly and severally sworn, did severally say that the said HENRY S. STURGIS is a Vice-President, and the said S. L. SEARLES is an Assistant Cashier of The First National Bank of the City of New York, that the seal affixed to the foregoing Indenture is the corporate seal of said corporation, that said Indenture was executed in behalf of said corporation by authority of its Board of Directors, and they

severally acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.

(NOTARIAL SEAL)

ADRIAN D. STEVENSON
Notary Public.

ADRIAN D. STEVENSON
Notary Public, New York County
N. Y. Co. Clerk's No. 872, Reg. No. 8-S-1252
Kings Co. Clerk's No. 392, Reg. No. 8824
Bronx Co. Clerk's No. 126, Reg. No. 413-S-38
Queens Co. Clerk's No. 1135, Reg. No. 4601
Commission expires March 30, 1938

STATE OF WISCONSIN)
)SS.
DEPARTMENT OF STATE)

Received this 18th day of February A. D. 1938 at 10:45 o'clock A. M. and recorded in Vol. 33 of Railroad Deeds and Mortgages, on Page 282 to 341, inclusive.

Robert L. Siebecker
Assistant Secretary of State

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SUPPLEMENTAL MORTGAGE

between

DULUTH, MISSABE and IRON RANGE RAILWAY COMPANY

and

THE FIRST NATIONAL BANK of the CITY OF NEW YORK

Dated March 28, 1938.

* *

INDENTURE, dated March 28, 1938, between DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY , a corporation organized and existing under the laws of the State of Minnesota, party of the first part, hereinafter called the "Railway Company", and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a corporation organized and existing under the laws of the United States of America, party of the second part, hereinafter called the "Trustee";

WHEREAS, the Railway Company on January 31, 1938, executed and delivered to the Trustee its First Mortgage dated October 1, 1937; and

WHEREAS, Article Twelve of said First Mortgage provides that the Railway Company and the Trustee may enter into an indenture or indentures supplemental to said First Mortgage and which thereafter shall form a part thereof for the purposes among others (1) of conveying, transferring and assigning to the Trustee and subjecting to the lien of the First Mortgage with the same force and effect as though included in the granting clauses thereof, additional property then owned by the Railway Company, acquired by it through consolidation, merger, purchase or otherwise, and (2) of making such provision in regard to matters or questions arising under the First Mortgage as may be necessary or desirable and not inconsistent with the First Mortgage; and

WHEREAS, pursuant to due authorization by the Interstate Commerce Commission by its order dated March 18, 1938, in Finance Docket No. 11928, the Railway Company has acquired all of the property and assets of The Duluth and Iron Range Rail Road Company and Interstate Transfer Railway Company; and

WHEREAS, the Railway Company in subdivision IV of the granting clauses of the First Mortgage has heretofore pledged subject to the lien of the First Mortgage and has delivered to the Trustee pursuant to such pledge the certificates for the shares of all of the outstanding capital stock of The Duluth and Iron Range Rail Road Company and Interstate Railway Company; and

WHEREAS, it is provided in Section 7 of Article Four of the First Mortgage that in case at any time the assets of either The Duluth and Iron Range Rail Road Company or Interstate Transfer Railway Company are conveyed and transferred to the Railway Company, and the real property and equipment of either of such companies, other than lands which have been granted by the State of Minnesota and which shall not be necessary or pertinent to the use, operation, management, maintenance, renewal, alteration or improvement of the railroad lines and railroad properties of the Railway Company, are conveyed, mortgaged, pledged and delivered to the Trustee by an indenture or indentures supplemental to the First Mortgage in form satisfactory to the Trustee, the Trustee shall release from the lien of the First Mortgage and deliver to the Railway Company the certificates for the shares of stock of the company or companies whose aforesaid assets have been so conveyed, mortgaged, pledged and delivered; and

WHEREAS, the Railway Company now wishes to convey, mortgage, pledge and deliver to the Trustee by this Indenture supplemental to the First Mortgage the assets acquired from both The Duluth and Iron Range Rail Road Company and Interstate Transfer Railway Company

other than the aforesaid lands which have been granted by the State of Minnesota; and

WHEREAS, it is provided in Section 6 of Article Nine of the First Mortgage that if at any time or times, in order to conform to any legal requirement, the Trustee shall so request, the Railway Company and the Trustee shall unite in the execution and performance of all instruments and agreements necessary or proper to appoint another bank or trust company or one or more persons, approved by the Trustee, either to act as co-trustee or co-trustees of all or any part of the mortgaged property, jointly with the Trustee originally named herein or its successors, or to act as separate trustee or trustees of any such property, with such powers as may be provided in the instrument of appointment; and

WHEREAS, the Trustee has requested the Railway Company to unite in the execution of an instrument appointing Walter F. Kearns as co-trustee jointly with the Trustee or its successor of that part of the property of the Railway Company now owned or hereafter acquired situated within the State of Wisconsin and subject to the lien of the First Mortgage or intended so to be; and

WHEREAS, at a meeting of the Board of Directors of the Railway Company, duly held, pursuant to due notice, on the 22nd day of March, 1938, a quorum being present and acting throughout, resolutions were duly adopted authorizing the execution and delivery by the Railway Company of a supplemental indenture substantially in the form of this Indenture, to the Trustee, and its successors, for the purposes and upon the conditions set forth in this Indenture; and

WHEREAS, at a meeting of the shareholders of the Railway Company, duly held, pursuant to due notice, on the 26th day of March, 1938, a quorum being present and acting throughout, resolutions were duly adopted ratifying, approving and confirming the execution and delivery of the First Mortgage and authorizing the execution and delivery of such supplemental indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That for and in consideration of One Dollar ($1.00) in hand paid by the Trustee to the Railway Company, upon the execution and delivery of this Indenture, the receipt whereof is hereby acknowledged and in consideration of the release by the Trustee from the lien of said First Mortgage of the certificates for all of the capital stock of The Duluth and Iron Range Rail Road Company and of Interstate Transfer Railway Company, the receipt of which certificates is hereby acknowledged by the Railway Company, and in order to further secure the payment of the principal of, premium, if any, and interest upon all Bonds issued and to be issued under the First Mortgage according to their tenor and effect, and to further secure the performance of all the covenants and conditions contained in the First Mortgage and in order to charge with such payment and with such performance the railroads, railroad property and appurtenances, rights, privileges, franchises and other properties hereinafter described, the Railway Company has executed and delivered this Indenture and has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, mortgaged, pledged, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, mortgage, pledge, assign, transfer and set over unto the Trustee and to its successors in the trust and assigns forever:

I. (1) All and singular the main lines of railroad, consituting the railroad, formerly owned by The Duluth and Iron Range Rail Road Company, including the following:

The main line extending from the City of Duluth in St. Louis County, Minnesota, to the City of Two Harbors in Lake County, Minnesota,

thence, to Winton in said St. Louis County and then into said Lake County, having a length of about.....121.24 miles

The main line extending from Tower Junction to Tower, all in said St. Louis County, having a length of about..... 2.21 miles

The main line extending from Allen Junction to Virginia, all in said St. Louis County, having a length of about..... 21.89 miles

The land constituting the foregoing right-of-way subject, as to 2.18 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The main line extending from Gilbert Junction to Gilbert, all in said St. Louis County, having a length of about..... .48 mile

The main line extending from McKinley to Eveleth and Largo, all in said St. Louis County, having a length of about..... 12.40 miles

The land constituting the foregoing right-of-way is subject, as to 7.08 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

(2) Also, all and singular the branch lines of railroad, formerly owned by The Duluth and Iron Range Rail Road Company, including the following:

The branch line extending from Wales to Whyte, all in Lake County, Minnesota, having a length of about..... 19.07 miles

The land constituting the foregoing right-of-way is subject, as to 5.87 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The Eastern Mesaba Branch extending from Meseba through Argo to a point about 2.1 miles east of Argo Station switch, all in St. Louis County, Minnesota, having a length of about..... 16.74 miles

All of the land constituting the foregoing right-of-way is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The Burntside Lake Branch extending from Robinson to Burntside Lake, all in said St. Louis County, having a length of about...3.26 miles

The land constituting the foregoing right-of-way is subject, as to 1.68 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

The following branches in said St. Louis and Lake Counties:

Basswood Lake Branch.....3.60 miles

The land constituting the foregoing right-of-way is subject, as to .30 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Eve Lake Branch..... 1.72 miles

0.41 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with an additional .44 of a mile thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

The following branches in said St. Louis County:

Soudan Branch..... 2.02 miles

Ely Branch..... 6.16 miles

0.30 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 1.51 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

Colby Branch..... 2.12 miles

All of the land constituting the foregoing right of way is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Aurora Branch..... 3.42 miles

The land constituting the foregoing right-of-way is subject, as to 2.10 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Biwabik Branch..... 6.29 miles

0.20 of a mile of the land constituting the foregoing right-of-way is held under a revocable license, and, together with 1.25 additional miles thereof, is subject to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto, prior to the execution of this Indenture.

McKinley Branch..... 2.99 miles

The land constituting the foregoing right-of-way is subject, as to 1.00 mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Mariska Branch..... 2.68 miles

The land constituting the foregoing right-of-way is subject, as to .75 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Pettit Branch..... 3.72 miles

The land constituting the foregoing right-of-way is subject, as to .25 of a mile thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Eveleth Branch..... 5.01 miles

The land constituting the foregoing right-of-way is subject, as to 2.05 miles thereof, to mineral, mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Largo Branch..... 1.74 miles

The land constituting the foregoing right-of-way is subject, as to .62 of a mile thereof, to mineral mining, timber and removal rights and reservations retained by the grantors thereof, but only in so far in scope, degree, priority or otherwise, as in law such rights may have attached thereto prior to the execution of this Indenture.

Skibo Mill Branch..... 3.28 miles

(3) Also, all and singular the tracks, additional to the main line and branch line tracks above described and used as a part of, or in connection with, any of said main line or branch lines of railway.

II. (1) All and singular the lines of railroad, constituting the railroad formerly owned by Interstate Transfer Railway Company, including the following:

The main line extending from St. Louis River to South Itaska, all in Douglas County, Wisconsin, having a length of about... 10.28 miles

(2) All and singular the tracks additional to the main line above described and used as a part of, or in connection with, the same or any part thereof,

III. All right, title and interest of the Railway Company acquired from the Interstate Transfer Railway Company in and to a drawbridge used as part of the railroad formerly owned by Spirit Lake Transfer Company and the railroad formerly owned by Interstate Transfer Railway Company spanning the St. Louis River in Duluth, in St. Louis County, Minnesota, to a point on the easterly bank of said river in Douglas County, Wisconsin, together with the approaches thereto.

IV. (1) Those three certain ore docks on Agate Bay near the City of Two Harbors, Lake County, Minnesota, connected with and part of said railroad formerly owned by The Duluth and Iron Range Rail Road Company, and designated and known as Docks Nos. 1, 2 and 6.

(2) That one certain coal dock on Agate Bay, in the City of Two Harbors, Lake County, Minnesota, connected with and part of the said railroad.

(3) That one certain merchandise dock, including the fish warehouse and platform on Agate Bay, in the City of Two Harbors, Lake County, Minnesota, connected with and part of the said railroad.

V. Any and all other railroads, lines of railroad, railroad property and appurtenances, docks and wharves and appurtenances, franchises, rights and privileges, of the Railway Company including without limitation those formerly owned by The Duluth and Iron Range Rail Road Company, or by Interstate Transfer Railway Company.

VI. Any and all rights of way, lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, formerly owned by The Duluth and Iron Range Rail Road Company, or by Interstate Transfer Railway Company.

Reserving and excepting, however, from the lien hereof any and all lands conveyed to the Railway Company, and any beneficial or other interests of the Railway Company in lands, which lands have been granted by the State of Minnesota to any predecessor in title to said lands and which shall not be necessary or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the railroad lines and railroad properties of the Railway Company.

TO HAVE AND TO HOLD the premises, railroads, rights, franchises, estates, appurtenances, leaseholds and other property real or personal hereby conveyed or assigned, or intended to be conveyed or assigned, unto the Trustee, its successor or successors in the Trust and assigns forever.

BUT IN TRUST, NEVERTHELESS, for the uses and purposes set forth in the First Mortgage.

It is agreed and covenanted by the Railway Company with the Trustee and the respective holders from time to time of Bonds secured by First Mortgage as supplemented by this Indenture, as follows, namely:

ARTICLE ONE.

In order to conform to any legal requirement respecting trustees under mortgages or deeds of trust of property in the State of Wisconsin, in which parts of the mortgaged property hereunder are situate, and upon request of the Trustee, the Railway Company and the Trustee, pursuant to the provisions of Section 6 of Article Nine of the First Mortgage, hereby unite in the appointment of Walter F. Kearns to act as co-trustee, jointly with the Trustee or its successor and not as tenant in common, of any and all property of the

Railway Company now owned or hereafter acquired, situated within the State of Wisconsin and covered by the lien of the First Mortgage, or intended so to be, with such powers, if any, and such powers only, as may be necessary to comply with any such legal requirement.

In case by reason of the repeal of any such legal requirement or for any other reason, in the opinion of counsel satisfactory to the Trustee, a co-trustee shall not be necessary, upon receipt by the Trustee of a written opinion to that effect, said Walter F. Kearns or any successor to him shall forthwith cease to be a co-trustee hereunder, and all powers of said co-trustee shall forthwith terminate, as shall his or such successor's estate, right, title and interest in and to all or any part of the trust estate, and all the estate, right, title, interest and powers of such co-trustee shall thereupon devolve upon the Trustee and its successors alone, In such case the co-trustee shall forthwith execute, acknowledge and deliver to the Railway Company an instrument in writing resigning as co-trustee and relinquishing his trust.

In case said Walter F. Kearns or any of his successors in the trust hereby created shall die, become incapable of acting, resign or be removed, all the estates, rights, title, interest, powers, duties and obligations of the co-trustee hereunder shall, so far as permitted by law, vest in and be exercised by the Trustee, or its successor, unless and until there shall be appointed a successor co-trustee. The co-trustee hereby appointed and any co-trustee appointed in succession to him shall perform such duties and take such actions as from time to time shall be requested of such co-trustee in writing by the Trustee or its successor. Any such request in writing by the Trustee or its successor shall be sufficient warrant for the co-trustee hereby appointed or his successor taking such action as may be so requested.

ARTICLE TWO.

The Trustee and any co-trustee or co-trustees at any time appointed hereunder or pursuant hereto shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Indenture or the due execution hereof by the Railway Company or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Railway Company. Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed or shall be construed to be assumed by the Trustee, or any such co-trustee or co-trustees, by reason of this Indenture other than as set forth in the First Mortgage, and this Indenture is executed and accepted on behalf of the Trustee subject to all the terms and conditions set forth in the First Mortgage as fully to all intents as if the same were herein set forth at length, and all the terms and provisions of the First Mortgage defining and limiting the liability and responsibility of the Trustee in the discharge of the trusts thereof, shall, in like manner, define and limit its liability and responsibility in the performance of the trusts under this Indenture as if expressly stated in this instrument.

The Trustee shall be under no duty to file, register or record or cause to be filed, registered or recorded this Indenture or to refile, reregister or rerecord or renew the same, but the Railway Company covenants that it will with all convenient speed duly record, register and file and rerecord, reregister and refile this Indenture as may be required by law in order to protect the lien of the First Mortgage and of this Indenture on the property covered hereby or intended so to be, and will do all other things requisite to preserve, protect and continue the lien of the First Mortgage and this Indenture.

IN WITNESS WHEREOF, DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY has caused its corporate name to be signed by its President or a Vice-President, and its corporate seal to be affixed hereto attested by its Secretary or an Assistant Secretary; and The First

National Bank of the City of New York has caused its corporate name to be signed by its President or a Vice-President and its corporate seal to be affixed hereto, attested by its Cashier or an Assistant Cashier, all as of the day and year first above written.

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY,

(CORPORATE SEAL)

By C. E. CARLSON
President.

Attest:

J. W. KEMPTON
Secretary.

Signed, sealed and delivered in the presence of

D. M. Stalker

Clem J. Horten (?)

As to Duluth, Missabe and Iron Range Railway Company.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,

(CORPORATE SEAL)

By HENRY P. STURGIS
Vice-President.

Attest:

S. L. SEARLES
Assistant Cashier.

Signed, sealed and delivered in the presence of

F. W. Dooling

F. J. Crawford

As to The First National Bank of the City of New York.

WALTER F. KEARNS, by this instrument appointed co-trustee to the extent, for the purposes and in the manner in this instrument set forth, hereby accepts such appointment as co-trustee, and the trusts as in this Indenture declared and provided and agrees to perform the same upon the terms and conditions hereinabove set forth.

W. F. KEARNS [L.S.]

Signed, sealed and delivered in the Presence of:

F. W. Dooling

F. J. Crawford

As to Walter F. Kearns.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 28 day of March, 1938, before me, a Notary Public of the State of New York, in and for the County of New York, personally came and appeared C. E. Carlson, President, and J. W. Kempton, Secretary of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, to me personally known and known to me to be such President and Secretary, respectively, of said corporation, and known to me to be the persons who executed the foregoing Indenture on behalf of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY, who being by me duly and

severally sworn, did severally say that the said C. E. Carlson is the President, and the said J. W. Kempton is the Secretary of Duluth, Missabe and Iron Range Railway Company, that the seal affixed to the foregoing Indenture is the corporate seal of said corporation, that said Indenture was executed in behalf of said corporation by authority of its Board of Directors, and they severally acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.

(NOTARIAL SEAL)

ADRIAN D. STEVENSON
Notary Public.

Adrian Stevenson
Notary Public, New York County
N. Y. Co. Clerk's No. 872, Reg. No. 8-S-1252
Kings Co. Clerk's No. 392. Reg. No. 8824
Bronx Co. Clerk's No. 126. Reg. No. 413-S-38
Queens Co. Clerk's No. 1135, Reg. No. 4001
Commission expires March 30, 1938.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 28th day of March, 1938, before me, a Notary Public of the State of New York, in and for the County of New York, personally came and appeared Henry S. Sturgis, Vice-President and S. L. Searles, Assistant Cashier of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, to me personally known and known to me to be such Vice-President and Assistant Cashier, respectively, of said corporation, and known to me to be the persons who executed the foregoing Indenture on behalf of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, who being by me duly and severally sworn, did severally say that the said Henry S. Sturgis is a Vice-President, and the said S. L. Searles is an Assistant Cashier of The First National Bank of the City of New York, that the seal affixed to the foregoing Indenture is the corporate seal of said corporation, that said Indenture was executed in behalf of said corporation by authority of its Board of Directors, and they severally acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.

(NOTARIAL SEAL)

Adrian D. Stevenson
Notary Public.

ADRIAN D STEVENSON
Notary Public, New York County
N. Y. Co. Clerk's No. 872, Reg. No. 8-S-1252
Kings Co. Clerk's No. 392, Reg. No. 8824
Bronx Co. Clerk's No. 126, Reg. No. 413-S-38
Queens Co. Clerk's No. 1135, Reg. No. 4001
Commission expires March 30, 1938.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 28 day of March, 1938, before me, a notary public of the State of New York in and for the County of New York, personally came and appeared the above-named WALTER F. KEARNS, to me known to be the person who executed the foregoing instrument, and

acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this instrument first written.

Adrian D. Stevenson
Notary Public.

(NOTARIAL SEAL)

ADRIAN D. STEVENSON
Notary Public, New York County
N. Y. Co. Clerk's No. 872, Reg. No. 8-S-1252
Kings Co. Clerk's No. 392, Reg. No. 8824
Bronx Co. Clerk's No. 126, Reg. No. 413-S-38
Queens Co. Clerk's No. 1135, Reg. No. 4001
Commission expires March 30, 1938

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 31st day of March A. D. 1938 at 11:45 o'clock A. M. and recorded in Vol. 33 of R. R. Mtgs. on page 342 - 351, incl.

Robert L. Siebecker
Assistant Secretary of State

Index 158-10

Executed in 18 Counterparts
No. 14

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD EQUIPMENT TRUST
SERIES S

LEASE OF RAILROAD EQUIPMENT

Dated as of April 1, 1938

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO
to
HENRY A. SCANDRETT, WALTER J. CUMMINGS,
and GEORGE I. HAIGHT,
TRUSTEES OF THE PROPERTY OF
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY

AGREEMENT

Dated as of April 1, 1938

V. P. NELSON and PAUL B. ROBB,
Vendors
With
CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO
and
HENRY A. SCANDRETT, WALTER J. CUMMINGS,
and GEORGE I. HAIGHT,

TRUSTEES OF THE PROPERTY OF
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY

LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1938, between CONTINENTAL, ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a corporation duly organized and existing under the laws of the United States of America, Trustee, as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and HENRY A SCANDRETT, WALTER J CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of CHICAGO, MILWAUKEE, ST PAUL AND PACIFIC RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the Railroad Trustees), parties of the second part:

WHEREAS, Henry A. Scandrett, Walter J. Cummings and George I. Haight have been duly appointed Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company by order of the District Court of the United States for the Northern District of Illinois, Eastern Division, in a proceeding pending in said Court entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor," In Proceedings for the Reorganization of a Railroad, No. 60463, and said appointment has been duly ratified by order of the Interstate Commerce Commission, and said persons have duly qualified and are now acting as Trustees of the Property of said Railroad Company; and

WHEREAS, by order of said Court dated March 28, 1938, the Railroad Trustees were duly authorized and empowered to enter into this Lease and to make and carry out the covenants and agreements on their part herein contained, and

WHEREAS, by certain agreement, dated as of April 1, 1938, between V. P. Nelson and Paul B. Robb, Vendors, Continental Illinois National Bank and Trust Company of Chicago, as Trustee, and Henry A. Scandrett, Walter J. Cummings, and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted "Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S," and it was agreed that

the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Railroad Trustees hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of said Agreement, for and in consideration as well of the sum of one dollar to it paid by the railroad Trustees at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Railroad Trustees, has let and leased, and does hereby let and lease, to the Railroad Trustees all the railroad equipment of Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S (which together with the additional equipment and replacements as herein and in said Agreement provided are hereinafter and in said agreement collectively called the Trust Equipment), to wit:

LOCOMOTIVES

4 Steam Passenger Locomotives --Hudson Type 4-6-4 Nos. 102 to 105, incl.

PASSENGER TRAIN CARS

4 Tap Room-Baggage Cars (Tap Room air-conditioned)-Nos. 153 to 156, incl.

4 Dining Cars (air-conditioned)--Nos. 109 to 112, incl.

10 Parlor Cars (4 to be Beaver-tail) (air conditioned)--Mitchell, Merrill, Miller, Earling, Hiland, Manchester, Whittemore, Chandler, Hanson and Sewall.

15 Coaches (air-conditioned)--Nos. 437 to 451, incl.

2 Railway Post Office Cars--Nos. 2150 and 2151.

10 Branch Line Coach-Baggage-Mail Cars--Nos. 2750 to 2759, incl.

10 Branch Line Coach-Baggage Cars--Nos. 2708 to 2717, incl.

FREIGHT TRAIN CARS

464 52' 6" 50-ton flat cars--Nos. 65500 to 65963, incl. the cost of all said equipment being estimated by the Railroad Trustees to be not less than $3,210,922. In case the actual cost of the equipment specifically described above shall not amount to at least $3,210,922, then, in addition to said equipment above specifically described, the Trustee shall acquire and subject to this Lease (subject, however, to the provisions of Section 4 of Article I of said Agreement) other new standard gauge railroad equipment, approved as to character by the Railroad Trustees, of such cost that the aggregate cost of all the Trust Equipment will be at least $3,210,922, and the Trustee shall execute to the Railroad Trustees a supplemental lease thereof, describing the same, upon and subject to the terms and conditions hereof and of said Agreement, and such additional equipment shall be part of the Trust Equipment subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Railroad Trustees, and shall upon such delivery to the Railroad Trustees ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of this Lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Railroad Trustees hereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Railroad Trustees, in consideration of the premises, by these presents covenant and agree with the Trustee as follows:

First. The cost of the Trust Equipment, whenever used herein or in said Agreement, shall mean the actual cost of the construction or purchase of the Trust Equipment, including interest payable by the above named Vendors on any funds borrowed by them to provide for such cost of construction, and including all items which may properly be included in such cost under the accounting rules of the Interstate Commerce Commission.

The Railroad Trustees hereby accept (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenant and agree to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Railroad Trustees covenant and agree to pay to the Trustee or its assigns (or in the case of taxes to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, at or before the delivery of any of the Trust Equipment to the Railroad Trustees, as advance rental, amounts in cash equal to not less than thirty per cent (30%) of the cost of the Trust Equipment so delivered, as certified to the Trustee.

(b) If seventy per cent of the aggregate cost of all of the trust equipment which shall then and theretofore have been delivered hereunder shall exceed $2,235,000, an amount in cash as advance rental, which, with all other payments previously made under the foregoing clause (a) and this clause (b), shall equal the difference between $2,235,000 and the aggregate cost of all trust equipment which then and theretofore shall have been delivered hereunder as aforesaid.

(c) The necessary and reasonable expenses of the trust, including the proper compensation of the Trustee and its counsel for their services and all expenses and liabilities connected with the Trust Equipment and this Lease thereof.

(d) Any and all taxes, assessments and other governmental charges upon the income or property of the trust, or said Agreement evidencing the same, which the Trustee by law may be required to pay, and any and all taxes, assessments and other governmental charges (other than Federal Income Taxes) which the Railroad Trustees or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends thereon, under any present or future law of the United States of America or any state, county, municipality or other lawful taxing authority therein.

(e) The dividend warrants attached to and the dividends payable on the Trust Certificates when and as the same shall become payable.

(f) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof or otherwise.

(g) If default shall be made in the full payment of any such dividend warrants, dividends or principal when and as the same shall become due and payable as aforesaid, interest on such unpaid dividends, dividend warrants or principal at the rate of three and three-quarters per cent (3 3/4%) per annum.

The Railroad Trustees shall not be required, however, to pay any tax, assessment or other governmental charge so long as the Railroad Trustees shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment

of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered.

All rentals payable hereunder shall be payable at the principal office of the Trustee in the City of Chicago, State of Illinois, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

Anything herein contained to the contrary notwithstanding, the Trustee, shall, for all purposes of this Lease and said Agreement, accept as the cost of any of the Trust Equipment the respective amounts certified to it pursuant to subdivision (b) of Section 4 of Article I of said Agreement. In case any certificate furnished pursuant to said subdivision (b) of said Section 4 shall state that the cost of the equipment therein referred to is tentatively determined subject to final adjustment, such certificate shall nevertheless be accepted and acted upon, pending adjustment.

Second. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet discharge and cancel all the interests in said Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S, created in respect of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of this Lease and after all such payments required hereby shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Railroad Trustees simultaneously with or after the execution hereof, shall at the option of the Railroad Trustees, be assigned and transferred by the Trustee to the Railroad Trustees or their nominee or nominees, and shall thereupon be and become the absolute property of the Railroad Trustees or their nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Railroad Trustees but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to, and the possession and use thereof by, the Railroad Trustees.

Third. Upon the written request of the Railroad Trustees, signed by one of the Railroad Trustees or the officer in charge of finance, accounting and real estate, or the comptroller of the Railroad Trustees, stating that the use of any of the Trust Equipment is no longer required by the Railroad Trustees, the Trustee may, while the Railroad Trustees are not in default hereunder, execute and deliver a bill of sale assigning and transferring to the purchaser named by the Railroad Trustees the absolute title to such of the Trust Equipment; provided, however, that none of the Trust Equipment shall be so assigned or transferred unless simultaneously with the delivery of such bill of sale of the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Railroad Trustees a sum in cash equal to the amount, if any, by which the cost determined as herein provided, of the Trust Equipment so assigned and transferred, less depreciation, exceeds said purchase price. For all purposes of this Lease and said Agreement, depreciation on the Trust Equipment, or any thereof, shall not exceed an amount equal to 1/3 of 1 per cent of the cost thereof, determined as herein provided, for each calendar month between the date of delivery of such Trust Equipment to the agent of the Trustee and the date as of which depreciation is to be determined. Simultaneously with the delivery of such written request of the Railroad Trustees there shall also be delivered to the Trustee a certificate of one of the Railroad Trustees, or the officer in charge of finance, accounting and real estate or the comptroller of the Railroad Trustees, stating the amount of such agreed purchase price of the Trust Equipment to be assigned and transferred

and the amount of such depreciation (not in excess of the amount above stated) accrued upon such Trust Equipment. The sums so paid to the Trustee shall be held by it in trust for the equal and proportionate benefit of the bearers of the Trust Certificates and divident warrants, until paid out by the Trustee upon like written request of the Railroad Trustees for the purchase by the Trustee of new standard gauge railroad rolling stock, free from liens, and upon the delivery of such new equipment to the trustee accompanied by a bill or bills of sale, warranty or warranties, an opinion of counsel and a certificate as to delivery and cost in like manner as is provided in Section 4 of Article I of said Agreement. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all of the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Railroad Trustees and the Trustee shall execute, and the Railroad Trustees shall file and/or record as required by law, a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof. The term "Trust Equipment," wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

Fourth. At or before the delivery to the Railroad Trustees of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, with appropriate changes thereof or additions thereto as from time to time may be required by law in order to protect the interest of the Trustee, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case in letters not less than one-half inch in size:

"Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust Series S, Continental Illinois National Bank and Trust Company of Chicago, Trustee, Owner and Lessor."

Such plate or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of said equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Railroad Trustees will immediately cause the same to be restored or replaced. The Railroad Trustees will not change, or permit to be changed, the numbers upon equipment covered by this Lease (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which shall previously have been filed with the Trustee by the Railroad Trustees. In any such case, if the same be feasible, or necessary, the Railroad Trustees will at their expense cause to be made such notation on or addition to the record of this Lease as may be proper to preserve or protect the record title of the Trustee to such equipment.

The Trust Equipment may be lettered, "Chicago, Milwaukee, St. Paul and Pacific Railroad," "St. Paul," "Milwaukee," "C. M. St. P. & P. RR.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Railroad Trustees, their successor or successors therein, but the Railroad Trustees, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Railroad Trustees or by any person, association or corporation other than the Trustee.

Fifth. (a) The Railroad Trustees, during the continuance of this Lease, will maintain and keep, at their own cost and expense, all of the Trust Equipment in good order and repair (the damage to be made good including, without limitation, damage by collision, fire or explosion), and will replace, at their own cost, any of the Trust Equipment that may be worn out, lost, destroyed or rendered unfit for use, by new standard gauge railroad rolling stock of substantially as good material, construction and of equal value, the value of the new rolling stock to be figured at cost, determined as provided in Article First hereof, if that be below market value, or at market value if that be below such cost. For the purpose of this Article Fifth the value of such replaced equipment shall be taken to be the cost thereof, determined as provided in Article First hereof, less depreciation accrued thereon, computed as provided in Article Third hereof. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Railroad Trustees shall deliver to the Trustee a certificate of one of the Railroad Trustees, or the officer in charge of finance, accounting and real estate or the comptroller of the Railroad Trustees, stating the value of the Trust Equipment so worn out, lost, destroyed or rendered unfit for use, determined as herein provided, and the cost and the reasonable market value of the equipment with which it is replaced, together with a bill or bills of sale, warranty or warranties, an opinion of counsel and a certificate as to delivery, in like manner as is provided in Section 4 of Article I of said Agreement.

Thereupon, such new equipment shall be deemed part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement, as though it had been originally a part of the Trust Equipment; but the Trustee and the Railroad Trustees shall execute a supplemental lease thereof, describing the same, upon and subject to all of the terms and conditions hereof.

(b) The Railroad Trustees will during the continuance of this Lease keep all of the Trust Equipment insured against loss or damage by fire, and against other loss or damage the risk of which is customarily insured against by railroad companies, in such manner and to such proportion of the value thereof as is customarily insured by railroad companies. All of such insurance shall be payable to the Trustee as Trustee. Owner and Lessor and shall be in an insurance company or companies satisfactory to the Trustee. All the insurance premium or premiums shall and will be paid by the Railroad Trustees, and, in default of the Railroad Trustees keeping such Trust Equipment so insured, the Trustee without impairment of the rights and remedies by reason of such default may make appropriate insurance from time to time and pay the premium or premiums therefor, but it shall not be required so to do, and in such event the Railroad Trustees shall and will pay to the Trustee the amount of the premium or premiums so paid, with interest at the rate of 6 per cent per annum from the time of payment. In case the Railroad Trustees fail to make and maintain such insurance and the Trustee insures the Trust Equipment or any part thereof as above provided, the title to the Trust Equipment shall, notwithstanding the making of all other payments hereunder or under said Agreement to be made by the Railroad Trustees, remain in the Trustee until the repayment of the amount so paid for insurance with interest from the time of payment, and the repayment of such amount is hereby expressly made one of the obligations to be performed before title to the Trust Equipment shall vest in the Railroad Trustees.

Any insurance moneys paid to the Trustee on account of any loss in respect of the Trust Equipment covered by insurance shall be held and retained by the Trustee, in trust for the equal and proportionate benefit of the holders of the Trust Certificates and dividend warrants attached thereto, until the replacement or repair, as provided in subdivision (a) of this Article, of the Trust Equipment covered by such insurance. Upon proof satisfactory to the Trustee of the proper replacement or repair of said Trust Equipment, said insurance moneys received by the Trustee shall be applied by the Trustee to the payment of the cost of such replacement or repair or to reimburse the Railroad Trustees, to the extent of such funds, for payments made by them in respect of such replacement or repair. A certificate of the Railroad Trustees or their duly designated representatives as to the proper replacement or repair of said Trust Equipment, free from lien, shall be full and complete protection to the Trustee.

(c) The Railroad Trustees covenant and agree to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this Lease, an accurate statement, signed by one of the Railroad Trustees, or the officer in charge of finance, accounting and real estate or the comptroller of the Railroad Trustees, of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost, destroyed or rendered unfit for use by accident or otherwise, and the number of units of Trust Equipment repaired during the previous year, and the number of units then undergoing repairs and in the shops for repairs, and the repairs needed on any of the Trust Equipment, specifying the Trust Equipment so in need of repair, classifying the repairs so needed according to a standard classification of repairs, in so far as practicable. Together with said statement the Railroad Trustees shall also furnish to the Trustee a statement signed by their Superintendent Car Department or an Assistant Superintendent Car Department, stating that in the case of all of the Trust Equipment repainted during the preceeding year, the marks required by Article Fourth hereof have been preserved, or that the same when repainted has been again marked as required by said Article. The Trustee shall have the right, by its agents, (but shall not be obligated) to inspect the Trust Equipment once in every year during the continuance of this Lease.

(d) The Railroad Trustees covenant and agree to indemnify and protect the Trustee in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including, but without limitation, all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Railroad Trustees may in good faith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the bearers of the Trust Certificates.

Sixth. The Railroad Trustees, so long as they shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned by them or operated by them under lease or otherwise,

or over which they have trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned or controlled by the Railroad Trustees, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Railroad Trustees, but only upon and subject to all the terms and conditions of this Lease.

The Railroad Trustees will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Railroad Trustees shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of their possession or control, any of the Trust Equipment. A transfer to a receiver or receivers or to a railroad company acquiring not less than 75 per cent of the owned lines of railroad of the Railroad Trustees, and who or which shall assume and agree to perform each and all of the obligations and covenants of the Railroad Trustees hereunder and under said Agreement, as provided in Article VIII of said Agreement shall not be deemed a breach of this covenant.

Seventh. In case the Railroad Trustees

(1) shall make default in the payment of any part of said rent and such default shall continue for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of their rights or interest in, or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, or any thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the actual cost of the Trust Equipment so assigned or transferred or sub-leased, or the possession of which shall have been so parted with, as certified to the Trustee pursuant to Section 4 of Article I of said Agreement (any sum so deposited to be returned to the Railroad Trustees upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Railroad Trustees of such Trust Equipment in good condition, subject to ordinary usage), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on their part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee may, and upon the request in writing of the bearers of not less than 20 per cent in principal amount of the Trust Certificates at the time outstanding shall, declare this Lease terminated. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided. Upon the happening of an event of default, the Trustee may also, by its agents, enter upon the railroads and premises of the Railroad Trustees and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to

of any kind earned by the Trust Equipment or any collect, receive and retain all unpaid per diem, mileage or other charges thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as it may deem necessary or desirable to perform and fulfill the trusts under said Agreement, at public sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its rights and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Railroad Trustees shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Railroad Trustees; and no payments theretofore made by the Railroad Trustees for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Railroad Trustees any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owner of interests in said Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Railroad Trustees of rentals then or thereafter due and payable, and the Railroad Trustees shall be and remain liable for the same, until such sum shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b),(c), (d), (e), (f) and (g) of Article First hereof, whether they shall have then matured or not.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Railroad Trustees, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Railroad Trustees, for the delivery of the Trust Equipment to it, the Railroad Trustees will, at their own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or be drawn to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad or premises of the Railroad Trustees until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Railroad Trustees agree to furnish without charge the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Railroad Trustees requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity, and may be exercised from time to time and as often and in such order as may be deemed expedient by the Trustee. No delay or omission of the Trustee in the exercise of any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of such event of default or an acquiescence therein.

If the Trustee shall exercise any of the powers or remedies conferred upon it hereunder, the Railroad Trustees shall have the right, after all rentals and other sums due hereunder to the Trustees shall have been received by the Trustee, to require title to such of the Trust Equipment as shall not previously have been sold, assigned, transferred or otherwise disposed of by the Trustee to others to be transferred and assigned by the Trustee to the Railroad Trustees free from any further liabilities or obligations to the Trustee hereunder. If after applying all sums of money received by the Trustee in the exercise of such powers or remedies there shall remain any amount due to the Trustee under the provisions of this Lease, the Railroad Trustees hereby agree to pay to the Trustee the amount of such deficiency. If after applying as aforesaid all sums so received by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Railroad Trustees.

Eighth. The Railroad Trustees covenant that prior to the delivery to them of any of the Trust Equipment covered thereby, they will cause this Lease and said Agreement, and thereafter from time to time any and all supplemental leases and agreements which may be executed pursuant to the terms hereof and of said Agreement, to be duly filed, registered or recorded and duly refiled, reregistered and rerecorded in each and every jurisdiction required by law, in order to publish notice of and to protect the Trustee's title to the Trust Equipment and any additions or replacements, and from time to time will perform any other act required by law, and will execute any and all further instruments that reasonably shall be requested by the Trustee for such publication and protection of such title.

Ninth. Until they shall have discharged all their obligations under this Lease, the Railroad Trustees shall pay all costs, charges and expenses incident to the performance of all terms and conditions of this Lease and said Agreement on their part to be performed, including, without limiting the generality of the foregoing, all recording and registration taxes and fees, and all expenses incident to the preparation, execution, acknowledgment, filing, refiling, registering reregistering, recording and rerecording of this Lease and said Agreement and of any instrument of further assurance, and all stamp taxes and other taxes, duties, imposts, assessments, charges, fines and penalties of any kind imposed upon this Lease, said Agreement or the Trust Equipment or the manner of operation thereof, and shall keep the Trust Equipment and all replacements thereof free from any liens which would be an encumbrance upon the Trustee's title thereto.

Tenth. Reference is hereby made to the provisions of Article VIII of said Agreement dated as of April 1, 1938. All of the provisions of said Article VIII shall apply to and be deemed a part of this Lease.

Eleventh. This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

Twelfth. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, The Trustee, acting in accordance with the terms and conditions of said Agreement, and the Railroad Trustees, pursuant to order of said Court, have caused these presents to be duly executed, as of the day and year first above written.

(CORPORATE SEAL)

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
Trustee,

By F. E. MUSGROVE
Vice-President

Attest:

E. B. STOFFT
Assistant Secretary

Signed, sealed and delivered by
Continental Illinois National
Bank and Trust Company of
Chicago in the presence of

R. E. GUITHER

E. F. HARTMAN
Attesting Witnesses.

HENRY A. SCANDRETT (L.S)

WALTER J. CUMMINGS (L.S)

GEORGE I. HAIGHT (L.S.)

As Trustees of the property of Chicago Milwaukee, St. Paul and Pacific Railroad Company, but not individually.

Signed, sealed and delivered by
Henry A. Scandrett, Walter J.
Cummings and George I. Haight,
in the presence of:

W. A. DIETZE

N. L. STENECK
Attesting Witnesses.

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on this 1st day of April, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within names F. E. MUSGROVE and E. B. STOFFT, each to me personally known and known to me to be, respectively, a Vice-President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instruments as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. MUSGROVE and E. B. STOFFT, being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. MUSGROVE resides in the State of Illinois, and that said E. B. STOFFT resides in the State of Illinois, that said F. E. MUSGROVE is a Vice-President and said E. B. STOFFT is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that they, said F. E. MUSGROVE, Vice-President, and E. B. STOFFT, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed, the foregoing instrument in their respective capacities as Vice-President and Assistant Secretary in behalf of

said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires April 29, 1940.

H. J. GROENER

(NOTARIAL SEAL) Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS)
) SS.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, Do HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgment and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 2 day of April 1938.

MICHAEL J. FLYNN
County Clerk.

(COOK COUNTY SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 1st day of April, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within names Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees,

for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires June 7, 1939.

R. W. SPANGENBERG

(NOTARIAL SEAL) Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS)
COOK COUNTY)SS.

I, MICHAEL J. FLYNN, County Clerk of the Counth of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. Spangenberg whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 2 day of April 1938.

(COOK COUNTY SEAL) MICHAEL J. FLYNN
County Clerk.

THIS AGREEMENT, dated as of April 1, 1938, by and between V. P. Nelson and Paul B. Robb (hereinafter called the Vendors), of the first part, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (hereinafter called the Trustee), as Trustee, of the second part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT, Trustees of the Property of CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter called the Railroad Trustees), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted or will contract to acquire the railroad equipment/and replacements as in the Lease and this Agreement provided are hereinafter called (which together with the additional equipment the Trust Equipment) specifically described in the Lease of Railroad Equipment from the Trustee to the Railroad Trustees prefixed to this Agreement, to which Lease reference is hereby made; and

WHEREAS, subscriptions have been or are being secured, in an amount not exceeding $2,235,000 to a fund to be known as Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S, which said fund is to be deposited with the Trustee and applied by Vendors or upon their written order in part payment on account of the cost of the Trust Equipment; and

WHEREAS, the Vendors desire to secure to the subscriber or subscribers to said fund, or their assigns, the payment of the amount thereof in fifteen annual installments, payable respectively on April first, in each year, from 1939 to 1953, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively as hereinafter provided; and to evidence the rights of the subscriber or subscribers to

said fund by Trust Certificates in substantially the form hereinafter set forth; and

WHEREAS, Henry A. Scandrett, Walter J. Cummings and George I. Haight have been duly appointed Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company by order of the District Court of the United States for the Northern District of Illinois, Eastern Division, in a proceeding pending in said Court entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor", In Proceedings for the Reorganization of a Railroad, No. 60463, and said appointment has been duly ratified by order of the Interstate Commerce Commission, and the Railroad Trustees have duly qualified as such and are now in possession of and operating the properties of said Railroad Company pursuant to the provisions and directions contained in orders of said Court; and

WHEREAS, the Railroad Trustees are desirous of securing the use of the Trust Equipment upon and in connection with the properties of Chicago, Milwaukee, St. Paul and Pacific Railroad Company; and

WHEREAS, by order of the said Court dated March 28, 1938, the form and terms of this Agreement and of said Lease hereto annexed were approved by said Court and the Railroad Trustees were duly authorized and directed to execute and deliver this Agreement and said ~~and said~~ Lease, to cause the Trust Certificates to be issued and to guarantee the same as herein provided, and otherwise to make and carry out the covenants and agreements; and

WHEREAS, the Railroad Trustees represent that all things necessary to make the guaranty of the Railroad Trustees as endorsed upon the Trust Certificates, when said Certificates shall be issued by the Trustee under this Agreement, the binding, valid and legal obligation of the Railroad Trustees, as herein provided, and to make this Agreement and said Lease a valid, binding and legal agreement and lease, respectively, have been done and performed;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The Vendors hereby agree to acquire and cause to be sold, assigned, transferred and set over, and do hereby sell, assign, transfer and set over, unto the Trustee, as Trustee for the bearers of the Trust Certificates hereinafter described, the Trust Equipment described or referred to in said Lease prefixed hereto when and as the Trust Equipment or any part thereof is constructed or completed or otherwise acquired. The Vendors will deliver, or cause to be delivered, the Trust Equipment or any part thereof when and as constructed or completed to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers or agents of the Railroad Trustees, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Railroad Trustees, simultaneously with the execution of this Agreement, have executed and delivered said Lease of all the Trust Equipment.

SECTION 2. The Trustee shall at any time, or from time to time, upon written request of the Vendors, without waiting for the recording, registration or filing of this agreement, or of any lease of or other instrument respecting the equipment subjected to this Agreement execute and deliver to the subscriber or subscribers to said fund, as specified in such request, certificates to be known as Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust Certificates, Series S, herein called the Trust Certificates, upon the deposit in cash with the Trustee of a sum equal to the principal amount and accrued dividends to date of delivery of the Trust Certificates the execution and delivery

of which shall be so requested and not less than the net proceeds of the sale of said Trust Certificates.

Any interest allowed by the Trustee upon any moneys so deposited shall be added to said fund and become a part of the Deposited Cash to be disposed of as hereinafter provided. All moneys paid to the Trustee as accrued dividends upon the original issuance and delivery of any Trust Certificates shall be held by the Trustee until the next ensuing dividend payment date, and thereupon shall be applied by the Trustee to the payment of any dividends then due, as if such moneys were paid to the Trustee by the Railroad Trustees as rent pursuant to Article First of said Lease for application as in subparagraph (e) thereof provided.

SECTION 3. The term Deposited Cash, whenever used herein, shall mean and include (a) the cash deposited with or to the credit of the Trustee constituting said fund, or a part thereof, as in Section 2 of this Article I provided (including any interest allowed thereon, but excluding any accrued dividends paid upon the original issuance of Trust Certificates), (b) all installments of rental paid pursuant to subdividions (a) and (b) of Article First of said Lease. The Deposited Cash shall, until paid out by the Trustee as herein provided, be held in trust for the benefit of the bearers of the Trust Certificates. Thereafter, from time to time, when and as any of the Trust Equipment shall have been delivered to the Trustee, the Trustee shall pay to the Vendors, or upon their order, out of the Deposited Cash, an amount equal to the cost of the equipment so delivered to the Trustee, such cost to be conclusively established (subject to the provisions of Section 4 of this Article I) by the certificate in writing of the Railroad Trustees or their duly designated representative, delivered to the Trustee prior to or contemporaneously with such payment.

SECTION 4. The Trustee shall not pay out any Deposited Cash as provided by Section 3 of this Article I, against the delivery of any of the Trust Equipment unless and until it shall have received:

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that Trust Equipment specified by numbers in such certificates has been delivered to such agent or agents and marked in accordance with the provisions of Article Fourth of said Lease;

(b) a certificate of the Railroad Trustees, signed by one of said trustees, or the officer in charge of finance, accounting and real estate or the comptroller or an assistant comptroller of the Railroad Trustees, certifying that the cost of such Trust Equipment, determined as provided in said Lease, is the amount therein specified;

(c) a bill or bills of sale of such Trust Equipment from the Vendors or the manufacturers thereof to the Trustee, containing or accompanied by a warranty or guaranty of the Vendors or the manufacturers to the Trustee that the title to the Trust Equipment described therein is free from any liens or encumbrances; and

(d) an opinion of counsel satisfactory to the Trustee that such bill or bills of sale and deliveries are valid and effective, either alone or in connection with any other instrument executed in connection therewith, to vest in the Trustee, free from all liens and encumbrances, the title so transferred to the Trustee.

Any such certificate or certificates as to cost may state that the cost of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment, and

in that case, adjustments may be made by certificates thereafter filed. A final certificate, signed as provided in paragraph (b) above, as to the cost of all the Trust Equipment shall be delivered to the Trustee by the Vendors not later than September 1, 1939.

SECTION 5. Anything in this Article contained to the contrary notwithstanding, the aggregate principal amount of the Trust Certificates which shall be executed and delivered by the Trustee under this Agreement shall not exceed the principal sum of $2,235,000 at any one time outstanding (subject, however, to the provisions of Section 6 of Article II of this Agreement).

SECTION 6. Any moneys held by the Trustee after delivery of and payment for all of the Trust Equipment, the disposition of which is not herein or in said Lease otherwise provided for, shall be credited against the next installment of rental payable under Section (f) of Article First of said Lease.

ARTICLE II.

SECTION 1. Each of the definitive Trust Certificates shall represent an interest in the amount of One Thousand Dollars ($1,000) in the trust of the Trust Equipment hereby created, and the bearer of any trust certificate, whether definitive or temporary, shall be entitled to receive dividends on said amount at the rate of 3 3/4 per cent per annum from April 1, 1938, payable semi-annually on the first day of April and October in each year. $149,000 principal amount of the Trust Certificates shall become due and payable on April 1 in each year from 1939 to 1953, both inclusive. Each of said Trust Certificates shall have endorsed thereon the guaranty of the Railroad Trustees in the form hereinafter set forth.

The due date of each Trust Certificate shall appear on its face. The definitive Trust Certificates shall be numbered from 1 consecutively upward to 2235, both inclusive.

Dividend warrants evidencing the right of the holders of the Trust Certificates to the dividends thereon shall be annexed to the respective definitive Trust Certificates. All dividends on the respective Trust Certificates shall cease after the principal thereof shall have become due.

Trust Certificates if temporary may be printed and if definitive shall be lithographed or engraved.

SECTION 2. The definitive Trust Certificates, the dividend warrants to be annexed thereto and the guaranty to be endorsed thereon by the Railroad Trustees as hereinafter in Article III provided shall be in substantially the following forms:

(Form of Trust Certificate)

$1,000

No._____

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD

EQUIPMENT TRUST

SERIES S

Total Issue not to exceed $2,235,000

Dividends at the Rate of 3 3/4 Per Cent per Annum

Payable April 1 and October 1.

Continental Illinois National Bank and Trust Company

of Chicago,

Trustee.

Principal Hereof Due April 1, 19__.

Continental Illinois National Bank and Trust Company of Chicago, as Trustee under an Agreement dated as of April 1, 1938 (hereinafter referred to as the "Agreement"), between

V. P. Nelson and Paul B. Robb, of the first part, Continental Illinois National Bank and Trust Company of Chicago, Trustee (hereinafter referred to as the "Trustee"), of the second part, Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company (hereinafter referred to as the "Railroad Trustees"), of the third part, hereby certifies that the bearer hereof is entitled to an interest of One Thousand Dollars in Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S, payable on April 1, 19__, unless prior payment hereof be required as hereinafter provided, and to dividends thereon at the rate of three and three-quarters per cent (3 3/4%) per annum from April 1, 1938, to said date of maturity, payable semi-annually on April first and October first in each year, but only upon presentation and surrender as they severally mature of the dividend warrants hereto attached, both principal and dividends being payable at the office of the Trustee in the City of Chicago and State of Illinois, or at the agency of the Trustee in the Borough of Manhattan, in the City and State of New York, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts, all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which the Railroad Trustees or the Trustees may be required to pay, or to retain therefrom, under any present or future law of the United States of America, or of any State, county, municipality or other lawful taxing authority therein, but only from and out of rentals or other moneys received by the Trustee from a certain Lease of Railroad Equipment made by Continental Illinois National Bank and Trust Company of Chicago, Trustee, to the Railroad Trustees, dated as of April 1, 1938.

This certificate is one of an issue of certificates, in bearer form, in an aggregate principal amount not exceeding $2,235,000, substantially identical except as to dates of maturity, all issued or to be issued under said Agreement. The terms of the Agreement further provide that said railroad equipment (or deposited cash in lieu thereof as provided in said Agreement) and said Lease thereof are to be held by the Trustee in Trust for the benefit of the bearers of said certificates. Reference is hereby made to said Agreement and Lease, filed with the Trustee at its office in the City of Chicago, for a further statement of the rights of the bearers of said certificates thereunder.

This certificate, together with all accrued dividends thereon, shall immediately become due and payable on the date of the confirmation of a plan of reorganization of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or upon the dismissal or termination of the court proceedings pursuant to which the Railroad Trustees are acting as such Trustees, if neither said Railroad Company nor any other corporation, nor receiver or receivers in equity, shall alone succeed to the possession of 75% of all the owned lines of railroad comprised in the Estate of said Railroad Company.

This certificate and the attached dividend warrants are issued subject to the condition, and every holder of this certificate or of any such dividend warrants, by accepting the same, agrees with every subsequent holder hereof and with the Trustee and the Railroad Trustees, that delivery of this certificate or any such dividend warrant by any bearer shall vest title to, and all rights under, the same in the transferee to the same extent for all purposes as would the delivery under like circumstances of a negotiable instrument payable to bearer and the Trustee and the Railroad Trustees shall be entitled to treat the bearer hereof or the bearer of such dividend warrant, as the case may be, as the absolute owner hereof or thereof, as the case may be, for all purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad Trustees in said Agreement or Lease contained, the principal amount represented by this certificate may become or be declared due and payable in the manner and with the effect in said Agreement provided.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and dividend warrants bearing the facsimilie signature of one of its Assistant Secretaries to be attached hereto, as of the first day of April, 1938.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee,

By_____
Vice-President.

Attest:

_____
Assistant Secretary.

(Form of Dividend Warrant)

No.....

$18.75

Due to the bearer hereof on the first day of ....., 19..., on surrender hereof at the office or agency of the undersigned Trustee in the City of Chicago and State of Illinois, or at its agency in the Borough of Manhattan, City and State of New York, Eighteen Dollars and Seventy-five Cents, without deduction for any tax or taxes (other than Federal income taxes) required to be paid or retained as provided in, and being the semi-annual dividend then due on, certificate No.....of Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S, payable only out of rentals received by the Trustee under the Lease referred to in said certificate.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee,

By_____
Assistant Secretary.

(Form of Guaranty)

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually, for a valuable consideration, hereby unconditionally guarantee to the bearer of the within Certificate, as provided in the Agreement referred to in said Certificate, and subject to the provisions of Article VIII thereof, the prompt payment of One Thousand Dollars, being the principal of said Certificate, when the same shall become due and payable, whether at the maturity thereof or by declaration or otherwise, and of dividends thereon at the rate of 3 3/4 per cent per annum on the semiannual dates mentioned in said Certificate and in the dividend warrants thereunto attached, all in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

HENRY A. SCANDRETT,
WALTER J. CUMMINGS,
GEORGE I. HAIGHT,
As Trustees of the property of
Chicago, Milwaukee, St. Paul
and Pacific Railroad Company,
but not individually,

By.....
Authorized agent.

SECTION 3. The Trust Certificates shall be signed in the name and on behalf of the Trustee by one of its Vice-Presidents, and its corporate seal shall be thereunto affixed and attested by its Secretary or one of its Assistant Secretaries. In case any of the officers of the Trustee who shall have signed and sealed any of the Trust Certificates shall cease to be such officers of the Trustee before the Trust Certificates so signed and sealed shall have been issued and delivered by the Trustee, such Trust Certificates shall be adopted by the Trustee and be issued and delivered as though the persons who signed and sealed such Trust Certificates had not ceased to be such officers of the Trustee. The dividend warrants to be thereunto attached shall be authenticated by the facsimilie signature of the present or any future Assistant Secretary of the Trustee, and the Trustee may adopt and use for that purpose any such facsimilie signature notwithstanding the fact that such Assistant Secretary may have ceased to be such Assistant Secretary at the time when any such Trust Certificate shall be issued and delivered as herein provided. Before executing and delivering any Trust Certificates the guaranty of the Railroad Trustees shall be duly executed thereon as hereinafter in Section 2 of Article III provided, and all matured dividend warrants thereto appertaining shall be cut off and canceled and delivered by the Trustee to the Railroad Trustees.

SECTION 4. Trust Certificates shall be in bearer form and shall pass by delivery. Dividends upon the Trust Certificates shall be payable only upon presentation and surrender of the appropriate dividend warrants, or, in the case of temporary Trust Certificates without warrants, only upon presentation of such temporary Trust Certificates for a notation of such payment thereon.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any Trust Certificate and the bearer of any dividend warrant as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment therefor, and for all other purposes, and shall not be affected by any notice to the contrary.

SECTION 5. Temporary printed Trust Certificates, with or without dividend warrants, in such form and denominations as the Trustee may determine, may be issued by the Trustee, having endorsed thereon said guaranty of the Railroad Trustees, which shall be exchangeable, without cost, upon surrender for definitive Trust Certificates, of equal principal amount and of the same maturity or maturities and having endorsed thereon said guaranty of the Railroad Trustees, when the same shall have been prepared. Until such exchange said temporary Trust Certificates shall be entitled to the same benefit of this Agreement in all respects as said definitive Trust Certificates, including the guaranty of payment by the Railroad Trustees.

SECTION 6. In case any Trust Certificate, or the dividend warrants thereto attached, shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate (and the Railroad Trustees shall execute their guaranty thereon), with all unmatured dividend warrants, if any, appertaining thereto, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, destroyed or stolen, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and warrants, or in lieu of and substitution for the same if lost, destroyed or stolen, and make payment of any matured dividend warrants appertaining to the same. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Railroad Trustees evidence to their satisfaction of the loss, destruction or theft

of said Trust Certificate or warrants alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate and warrants, and also such security or indemnity as may be required by the Trustee and by the Railroad Trustees in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the and
and shall preclude any and all other rights
replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and warrants / remedies, any law or statute now existing or hereinafter enacted to the contrary notwithstanding.

ARTICLE III.

SECTION 1. The Railroad Trustees hereby accept and become bound by all the terms of this Agreement, and hereby covenant and agree to make payment of the reasonable compensation and expenses of the Trustee, and of all taxes, assessments and other governmental charges for which Trustee may be liable, and all taxes (other than Federal Income Taxes) which the Trustee or the Railroad Trustees may be required to pay or to retain from the principal of the Trust Certificates or the dividends payable in respect thereof, under any present or future law of the United States of America or of any State, county, municipality or other lawful taxing authority therein.

SECTION 2. The Railroad Trustees covenant and agree and unconditionally guarantee that the bearer of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for public and private debts, when and as the same shall
become
/due and payable, whether at the maturity thereof or by declaration or otherwise, (and, if not so paid, with interest thereon at the rate of 3 3/4 per cent per annum), and shall receive dividends thereon in like coin or currency at the rate of 3 3/4 per cent per annum from April 1, 1938 to the date of maturity of such Trust Certificate, at the times and places and otherwise as expressed in the Trust Certificates and the warrants thereto attached (and if not so paid, with interest thereon at the rate of 3 3/4 per cent per annum); all without deduction for any tax, assessment or other governmental charge (other than Federal income taxes) which the Railroad Trustees or the Trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of
taxing authority therein, and the Railroad Trustees further
America, or of any State, county, municipality or other lawful/covenant and agree to endorse upon each of the Trust Certificates, definitive or temporary, at or before the issue and delivery thereof by the Trustee, their unconditional guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form in Section 2 of Article II hereof provided. Said guaranty so endorsed shall be signed in the name and on behalf of the Railroad Trustees by such officer or officers as shall have been duly authorized by ~~such officer or officers as shall have been duly authorized~~ said Railroad Trustees to sign upon their behalf. In case any of the officers of the Railroad Trustees who shall have signed such guaranty shall cease to be such officers of the Railroad Trustees before the Trust Certificates shall have been actually issued and delivered by the Trustee, such guaranty shall nevertheless be as effective and binding upon the Railroad Trustees as though the persons who signed such guaranty had not ceased to be such officers of the Railroad Trustees. The obligations of the Railroad Trustees in respect of their unconditional guaranty of the Trust Certificates hereinabove provided for are subject to the provisions of Article VIII hereof.

ARTICLE IV.

SECTION 1. The Railroad Trustees covenant and agree that they will promptly pay or

cause to be paid or discharged, or make adequate provision for the satisfaction or discharge of, any debt, obligation or claim which, if unpaid, might be or become a lien or charge upon/against any of the Trust Equipment, except upon the leasehold interest of the Railroad Trustees therein; but this provision shall not require the payment of any such debt, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings unless, in the judgment of the Trustee, such contest would materially endanger the rights or interests of the Trustee or the holders of the Trust Certificates in the Trust Equipment.

SECTION 2. The Railroad Trustees covenant and agree to pay all costs, charges and expenses incident to the performance of all terms and conditions of this Agreement on their part to be performed, including, without limiting the generality of the foregoing, the expenses incident to the preparation, execution and exchange of the Trust Certificates and dividend warrants, including the temporary Trust Certificates, or connected with the preparation, execution, recording, registration and filing hereof or of said Lease or of any instruments executed under the provisions hereof or of said Lease in respect of the Trust Equipment or Lease, or any equipment or parts used to replace any of the same.

SECTION 3. The Railroad Trustees covenant and agree with all convenient speed to cause this Agreement and said Lease and any supplemental leases and agreements which may be executed under the terms of this Agreement, or of said Lease, to be duly filed or recorded in all states wherein are situated railroad lines which the Railroad Trustees operate or to which they have title or over which they, as such Railroad Trustees, have trackage rights, or wherein are situated railroad lines of any railroad company a majority of whose capital stock is owned or controlled by the Railroad Trustees, and otherwise as may now or hereafter be provided by law for the full protection of the title and rights of the Trustee and of the holders of the Trust Certificates, so that this Agreement and said Lease and all other such supplemental instruments may at all times be duly filed and recorded.

SECTION 4. The Railroad Trustees covenant and agree from time to time to do all such acts and execute all such instruments of further assurance as they shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and said Lease and the intent thereof.

ARTICLE V.

SECTION 1. In order to prevent any accumulation of Trust Certificates or of dividend warrants after maturity, neither the Trustee nor the Railroad Trustees shall directly or indirectly extend or assent to the extension of the time for the payment of any Trust Certificate or dividend warrant, but the same shall be paid and cancelled at maturity, and no Trust Certificate or dividend warrant in substitution therefor shall be issued, and neither the Trustee nor the Railroad Trustees shall directly or indirectly be a party to or approve of any arrangement for purchasing or funding any of said Trust Certificates or dividend warrants, or for an advance or loan upon the same, at or after maturity. In case the time for payment of any Trust Certificate or dividend warrant shall be so extended, whether or not such extension be by or with the consent of the Trustee/or the Railroad Trustees, or in case, at or after maturity, any Trust Certificate, dividend or dividend warrant shall be purchased or funded, or an advance or loan upon the same shall be made, by or on behalf of the Trustee or the Railroad Trustees or pursuant to any arrangement requested or approved by either of them or to which either of them shall be a party or made with the privity of the Trustee or the Railroad Trustees, such Trust Certificate, dividend or

dividend warrant shall not be entitled to the benefit of said Lease or of this Agreement, except subject to the prior payment in full of the principal of all other Trust Certificates, dividends and dividend warrants, whether the same be then matured or unmatured.

SECTION 2. In case one or more of the events of default described in Article Seventh of said Lease shall happen, the Trustee in its discretion may, and at the request of the bearers of twenty per cent (20%) in principal amount of the Trust Certificates then outstanding shall, declare the principal of all of the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable. In any such case the Trustee may retake possession of the Trust Equipment or any part thereof and may either hold or lease the same or any part thereof, or dispose of the same or any part thereof in such manner (so far as may be necessary to perform the trusts hereunder), at public sale, for cash or upon credit, as the Trustees may deem most beneficial to the interest of the bearers of said Trust Certificates. Upon the written request of the bearers of twenty per cent (20%) in principal amount of the Trust Certificates at the time outstanding, in case one or more of said events of default shall happen (whether the principal of the Trust Certificates shall have been declared due and payable or not), it shall be the duty of the Trustee upon being indemnified as hereinafter provided to take all steps for the protection and enforcement of its rights and the rights of the bearers of the Trust Certificates, and to exercise one or more of the powers of entry, sale or lease in said Lease conferred, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee being advised by counsel shall deem most expedient in the interest of the bearers of the Trust Certificates; but, anything in this Agreement to the contrary notwithstanding, upon indemnity satisfactory to the Trustee the bearers of a majority in principal amount of the Trust Certificates then outstanding shall have the right from time to time to direct what proceedings for any enforcement of said Lease and this Agreement and the sale or lease of the Trust Equipment shall be taken by the Trustee. The proceeds of such proceedings or lease or sale shall be applied by the Trustee to the payment after deducting the expenses of the trust and reasonable compensation of the Trustee and all taxes, assessments and other governmental charges which the Trustee may by law be required to pay in respect of the trust or the Trust Certificates aforesaid or the dividends thereon;

(1) of the dividends and dividend warrants then due with interest on any overdue dividends and dividend warrants at the rate of 3 3/4 per cent per annum; and

(2) of the principal of all said outstanding Trust Certificates with interest thereon at the rate of 3 3/4 per cent per annum from the last preceding dividend date, whether said Certificates or any of them shall then have matured by their terms or not;

all of said payments to be in full, if said proceeds shall be sufficient and if not, then pro rata, without preference of principal over dividends, or of dividends over principal or otherwise (subject, however, to the provisions of Section 1 of this Article V), and without regard to the dates of maturity thereof.

The foregoing provisions, however, are subject to the condition that, if at any time after the principal of the Trust Certificates shall have been declared and have become due and payable, as hereinbefore provided, but before April 1, 1953, all arrears of rental (with interest upon any overdue instalment at the rate of 3 3/4 per cent per annum), the expenses and reasonable compensation of the Trustee and all other sums which shall have become due and payable by the Railroad Trustees hereunder or under said Lease

(other than the principal of Trust Certificates and rental instalments which shall not at the time have matured according to their terms) shall be paid by the Railroad Trustees before any taking possession, withdrawal, sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition of this Agreement or said Lease shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee, if so requested by the bearers of a majority in principal amount of the Trust Certificates then outstanding and which shall not have been matured according to their terms, shall, by written notice to the Railroad Trustees, waive the default by reason of which the principal of the Trust Certificates shall have been declared and become due and the consequences of such default, and said Lease shall upon such waiver be and continue in full force and effect, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Neither such retaking possession nor any withdrawal or lease or sale of the Trust Equipment by the Trustee nor any action or failure or omission to act, against the Railroad Trustees or in respect to the Trust Equipment, on the part of the Trustee or on the part of any bearer of any Trust Certificate or dividend warrant, or any delay or indulgence granted to the Railroad Trustees by the Trustee or any such bearer, shall affect the obligations of the Railroad Trustees under this Agreement or under said Lease or under their guaranty.

The Railroad Trustees waive presentation and demand in respect of any of the Trust Certificates and dividend warrants and waive notice of presentation and demand and of any default in the payment of principal of and dividends upon the Trust Certificates.

The Trustee may at any time, upon notice in writing to the Railroad Trustees, apply to any court of competent jurisdiction for instructions as to the application and distribution of any funds or property held by it.

ARTICLE VI.

SECTION 1. The Trustee hereby accepts the trust created hereby, subject to the terms and conditions hereof and of said Lease, and hereby covenants and agrees, so far as reasonably possible, subject to the provisions of Sections 4,5 and 7 of this Article VI, to perform, and to enforce the performance of, all and singular the terms, conditions and covenants of said Lease.

SECTION 2. The Trustee covenants and agrees to apply and distribute the rentals received by it under subdivisions (c), (d), (e), (f) and (g) of Article First of said Lease, when and as the same shall be received, for the following purposes, to wit:

(a) to the payment of the necessary and reasonable expenses of the trust, including the proper compensation of the Trustee and its counsel for its services and all expenses connected with the Trust Equipment and said Lease thereof;

(b) to the payment of any taxes, assessments and other governmental charges upon the Trust Equipment which it may by law be required to pay; and to the payment of any and all taxes, assessments and other governmental charges (other than Federal Income Taxes) which may by law be charged against the Trustee upon the Trust Certificates or the dividends payable thereunder, or which the Trustee may be required to/pay thereon under any present or future law of the United States of America, or of any State, county, municipality or other lawful taxing authority therein; retain or deduct therefrom or to

(c) to the payment of the dividends payable on the Trust Certificates and of the dividend warrants appurtenant thereto when and as the same shall become payable;

(d) to the payment of the principal of the Trust Certificates when and as the same shall become payable according to the terms thereof or hereof; and

(e) to the payment of interest on any unpaid dividends, dividend warrants or principal at the rate of 3 3/4 per cent per annum.

SECTION 3. The Trustee, at all times until the payment of the principal of all the Trust Certificates, shall keep an office or agency in the City of Chicago and State of Illinois and an agency in the Borough of Manhattan in the City and State of New York, where the Trust Certificates and dividend warrants may be presented for payment.

SECTION 4. The Trustee assumes no liability for anything other than its own willful default, misconduct or gross neglect, or that of its officers or directors. It shall be required to undertake no act or duty in the way of taking care of or taking possession of the Trust Equipment until fully secured against all liability and expenses. The Trustee shall not be liable for the delivery of any of the Trust Equipment, or for any defect therein or in the title thereto of the Trustee, nor shall anything herein be construed as a warranty of the Trustee in respect thereof of as a representation of the value thereof, provided such delivery is made in accordance with the provisions of this Agreement. All representations and recitals contained in this Agreement and in said Lease are made by and on behalf of the Railroad Trustees, and the Trustee shall be in no way responsible therefor, or for any statement contained therein, and the Trustee makes no representations as to the sufficiency of the security purported to be created hereby nor purports to have any knowledge with respect thereto, and the Trustee shall not be responsible in any way for the validity thereof, or of said Lease or of the Trust Certificates or the guaranty thereon or the dividend warrants. No duty of insurance or of repairs or of protection of any of the Trust Equipment is incumbent upon the Trustee, nor shall it be responsible for the filing, refiling, recording or re-recording or this Agreement or of said Lease; and the Trustee may issue and deliver Trust Certificates in advance of such filing or recording.

The Trustee may exercise its powers and perform its duties hereunder and under said Lease by or through such attorneys, agents and servants as it shall appoint, and it shall be entitled to the advice of Counsel (who may, in cases deemed by the Trustee, in its reasonable discretion, to be appropriate, be of counsel for the Railroad Trustees), and shall be protected by the advice of such counsel in anything reasonably done, or omitted to be done, by it in good faith in accordance with such advice. The Trustee shall not be liable or responsible for the neglect, default or misconduct of any attorney, agent or servant appointed and retained by it in the exercise of reasonable care, but nothing in this sentence contained shall limit any liability of the Trustee, pursuant to the first sentence of this Section 4, for acts, neglects or willful defaults of its officers or directors.

SECTION 5. The Trustee shall be under no obligation to take any action for the execution or enforcement of any of the trusts hereby created unless requested thereunto in writing by the bearers of not less than twenty per cent (20%) in principal amount of the then outstanding Trust Certificates, and upon being satisfactority indemnified against expenses and liability with respect thereto, and also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect

any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default, or to take action without request.

SECTION 6. No bearer of any Trust Certificate or dividend warrant issued hereunder (other than the bearer of all Trust Certificates at the time outstanding) shall have any right to institute any suit, action or proceeding for the execution or enforcement of the trust hereby created unless, after the aforesaid request in writing by the bearers of not less than twenty per cent (20%) in principal amount of the then outstanding Trust Certificates shall have been made upon the Trustee and ninety days' time elapsed for action by the Trustee upon such request, it shall decline to institute any proceedings pursuant thereto.

SECTION 7. The Trustee may, for all purposes, conclusively assume that the Railroad Trustees are not in default under the terms hereof until notified in writing to the contrary by the bearers of at least five per cent (5%) in principal amount of the Trust Certificates then outstanding, which notice shall dictinctly specify the default desired to be brought to the attention of the Trustee.

SECTION 8. The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant, receipt, request or other paper or instrument reasonably believed by it to be genuine or authentic, and to be signed by the proper party or parties and reasonably believed by it to be sufficient.

SECTION 9. The Trustee, in so far as permitted by law, will allow such interest upon all moneys received by it under the provisions of this agreement or of said Lease as during that time is allowed by it upon deposits of a similar character.

SECTION 10. The Trustee may resign and be discharged from the trusts created by this Agreement by mailing to the Railroad Trustees, notice in writing of such resignation, specifying a date when it is desired that such resignation shall take effect. Such notice shall be published at least once in each of three successive calendar weeks prior to the date specified in such notice, on any day or days of the week, in two daily newspapers printed in the English language, one published and of general circulation in the City of Chicago and State of Illinois and the other in the Borough of Manhattan in the City and State of New York. Such resignation shall take effect immediately upon, but not prior to, the appointment of, and acceptance of the trust by, such successor trustee as hereinafter provided, whether on, prior to, or subsequent to, the date stated in said notice of resignation.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee and executed by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding.

SECTION 11. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding by an instrument or concurrent instruments signed by such bearers or their attorneys in fact duly authorized; but until a new trustee shall be appointed by such bearers as herein authorized, the Railroad Trustees, by an instrument executed by one or more of the Railroad Trustees, or their duly authorized agent, shall appoint a trustee to fill such vacancy. If the Railroad Trustees shall fail, within thirty days after receipt of notice that the Trustee has resigned, to appoint a trustee to fill such vacancy, and if a successor trustee shall not have been appointed by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding, the Trustee may apply to a

court of competent jurisdiction for the appointment of a successor trustee. Every such successor trustee, whether appointed by the bearers of the Trust Certificates or by the Railroad Trustees or by order of court shall always be a trust company or bank having power so to act, shall be a member bank of the Federal Reserve System, or of such system of banks, if any, as may be established in lieu thereof, and organized under the laws of the United States of America, or the State of Illinois and having an office in the City of Chicago and State of Illinois, or the State of New York and having an office in the Borough of Manhattan in the City and State of New York, and having a capital and surplus aggregating at least five million dollars. After any such appointment by the Railroad Trustees or by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding the Railroad Trustees shall cause notice of such appointment to be published once a week in each of four successive weeks in two daily newspapers printed in the English language, one published and of general circulation in the City of Chicago and State of Illinois, and the other in the Borough of Manhattan in the City and State of New York; but any new trustee so appointed by the Railroad Trustees or by a court of competent jurisdiction shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the bearers of a majority in principal amount of the Trust Certificates at the time outstanding, provided such appointment is made, within a period of one year after the Trustee shall resign, be removed or become incapable of acting.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Railroad Trustees an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee ceasing to act shall, on the written request of such successor trustee, assign and transfer the trust estate or cause the trust estate to be assigned and transferred to the successor trustee, and shall thereupon be entitled to the payment of its charges and expenses theretofore incurred. Upon request of such successor trustee, the Railroad Trustees shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all the right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Railroad Trustees.

Any corporation resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party, provided such corporation shall be a corporation having power so to act, shall be a member bank of the Federal Reserve System, or of such system of banks, if any, as may be established in lieu thereof, and organized under the laws of the United States of America, or the State of Illinois, and having an office in the City of Chicago and State of Illinois, or the State of New York, and having an office in the Borough of Manhattan, in the City and State of New York, and have a capital and surplus aggregating at least five million dollars, shall be the successor trustee under this agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 12. The Trustee shall be entitled to reasonable compensation for all services rendered by it and the Railroad Trustees agree to pay from time to time on demand of the Trustee, such compensation, and to reimburse the Trustee for, and defend and save

it harmless against, any and all loss, damage, liability, claims, demands, disbursements and expenses, including reasonable counsel fees, which it may incur hereunder or under said Lease, and to secure the payment thereof the Trustee shall have a lien on the Trust Equipment and the proceeds thereof prior to the rights therein of the bearers of Trust Certificates.

The Trustee may become the owner of Trust Certificates and warrants issued hereunder with the same rights which it would have if it were not Trustee. The Trustee shall not be accountable or in any way responsible for or be under any obligation to see to the use, appropriation or application of moneys at any time paid out by it in conformity herewith.

ARTICLE VII.

In case of the death or inability to act of either of the Vendors, the other Vendor shall have and discharge all the powers of the Vendors. In case of the death or inability to act of both of the Vendors, the Trustee shall receive and distribute or pay for the account of the original Vendors, to the parties entitled to receive the same from the original Vendors, all Trust Certificates issuable or Deposited Cash or other moneys payable to the original Vendors by the Trustee hereunder. Any action taken by either of the Vendors shall have the same force and effect as if taken by both of them. The Vendors shall incur no liability hereunder, or under any bill of sale, guaranty or warranty executed by them as herein provided, for anything other than their own wilful default, misconduct or gross neglect. The Vendors shall be entitled to the advice of counsel (who may in appropriate cases be of counsel for the Railroad Trustees) and shall be protected by the advice of such counsel in anything done or omitted to be done by them in accordance with such advice.

ARTICLE VIII.

SECTION 1. The obligations of the Railroad Trustees under and in respect of this Agreement, said Lease and the guaranty of the Trust Certificates are the obligations of the parties of the third part solely as trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, and not individually, and shall constitute only the general obligations of the estate of which the parties of the third part are trustees. Except as herein otherwise provided by Sections 2 and 3 of this Article VIII, the Trusteeship wherein the parties of the third part are Trustees shall not be terminated nor shall the trusteeship estate thereunder be surrendered by the Railroad Trustees, or their successor or successors, unless, as a condition of such termination or surrender, all of the obligations, then existing or to accrue, of the Railroad Trustees under this Agreement, said Lease and said guaranty of the Trust Certificates, including the obligations under this Article VIII, shall be assumed, as a general obligation, by Chicago, Milwaukee, St. Paul and Pacific Railroad Company or any other corporation or any receiver or receivers in equity that shall succeed to the Railroad Trustees in the possession of not less than 75 per cent of all the owned lines of railroad comprised in the trusteeship estate, whether pursuant to any plan of reorganization under Section 77 of the Bankruptcy Act or upon foreclosure or upon dismissal or termination of the trusteeship or otherwise. In case of any sale or conveyance of not less than 75 per cent of all of said owned lines of railroad, the purchaser or transferee of the purchaser shall not be at liberty to refuse to accept this Agreement, said Lease or said guaranty, or to disaffirm them, but if acquiring not less than 75 per cent of all of said owned lines of railroad for the purpose of transferring them to a corporation formed for the purpose of reorganization, any such purchaser shall not incur any personal liability under or in respect of this Agreement, said Lease or said guaranty provided such transferee corporation shall assume, as a general obligation, the payment of the Trust Certificates, principal and dividends, when due, and all obligations of the Railroad Trustees under this Agreement, said Lease and said guaranty. In case Chicago, Milwaukee, St. Paul and Pacific Railroad Company or any other corporation, or any receiver or receivers in equity shall so succeed the Railroad Trustees in the possession of not less than 75 per cent of all of said owned lines of railroad, and shall so assume, as a general obligation, all the obligations of the Railroad Trustees then existing and to accrue under this Agreement, said Lease and said guaranty, the Railroad Trustees shall thereupon be relieved from all further liability under or in respect to this Agreement, said Lease and said guaranty.

In the event of such confirmation of a plan of reorganization, or the dismissal or termination of the bankruptcy proceedings, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or such other corporation, or such receiver or receivers, as the case may be, succeeding to the possession of not less than 75 per cent of all of said owned lines of railroad as aforesaid, shall execute and cause to be recorded an instrument or instruments supplemental to this Agreement and to said Lease, satisfactory to the Trustee, whereby Chicago, Milwaukee, St. Paul and Pacific Railroad Company or such other corporation or such receiver or receivers, as the case may be, shall so assume the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates and all other obligations then existing and to accrue of the Railroad Trustees under this Agreement and said Lease and said guaranty, and thereupon Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or such other corporation, or such receiver or receivers, as the case may be, shall be substituted for the Railroad Trustees under this Agreement and under said Lease and said guaranty, with the same effect as if named herein as party of the third part and as if named in said Lease as party of the second part, and, in any such case, any certificate, guaranty, request, order or other instrument required or permitted to be executed, and any act required or permitted to be done, by the Railroad Trustees, or any officer or agent of the Railroad Trustees, ~~or any officer or agent of the Railroad Trustees~~, may be done with like force and effect by the duly authorized officers or agents of said Railroad Company or other corporation or by said receiver or receivers, as the case may be, or their duly authorized officers or agents, and for all purposes of this Agreement and said Lease, a resolution of the board of Directors or of the executive committee of said Railroad Company or such other corporation, or a resolution of such receiver or receivers, as the case may be, shall be deemed to be the equivalent of a resolution of the Railroad Trustees.

The term "said owned lines of railroad" as used in this Article VIII shall mean the owned mileage of the Trust Estate now held by the Railroad Trustees.

SECTION 2. In the event that upon the confirmation of a plan of reorganization, or upon the dismissal or termination of the proceeding, neither Chicago, Milwaukee, St. Paul and Pacific Railroad Company, nor any other corporation or receiver or receivers in equity, shall alone succeed to the possession of 75 per cent of all of said owned lines of railroad, then the Trust Certificates, with all accrued dividends thereon, shall become immediately due and payable on the date of such confiramtion, dismissal or termination.

SECTION 3. Nothing herein shall be construed to limit or affect any right which any trustee or trustees of any mortgage on any of said owned lines of railroad, or any other representatives of the holders of bonds issued under any such mortgage, may have to foreclose any such mortgage in the proceeding or to move to dismiss the proceeding,

provided that upon such foreclosure or dismissal provision shall be made pursuant to this Article VIII for the obligations of the Railroad Trustees under this Agreement, said Lease and the guaranty of the Trust Certificates.

ARTICLE IX.

No recourse under any obligation, covenant or agreement of this Agreement or of said Lease or said guaranty shall be had against any stockholder, officer or director, as such, of any corporation which shall succeed the Railroad Trustees hereunder, whether by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that this Agreement, said Lease and said guaranty, when assumed by any such corporation, are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by any stockholder, officer or director, as such, of any such successor corporation, under or by reason of any of the obligations, covenants or agreements contained in this Agreement, said Lease or said guaranty, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director, as such, is hereby expressly waived.

ARTICLE X.

Any request or other instrument required by this Agreement to be signed or executed by bearers of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such bearers in person or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose of this Agreement (and shall conclusively be deemed to be satisfactory to the Trustee), and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz.:

(a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or of any other officer authorized to take, either within or without the State of Illinois, acknowledgments of deeds to be recorded in said State or in the State where the acknowledgment may be taken, certifying that the persons signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution;

(b) the amount of Trust Certificates held by any person executing any such request or other instrument as a Certificate holder, and the serial numbers of the Trust Certificates held by such person and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depositary wheresoever situated whose certificate shall be deemed by the Trustee to be satisfactory, showing that, at the date therein mentioned, such person had on deposit with such depositary, or exhibited to such depositary, the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such deposit or holding unless and until it receives proof satisfactory to it to the contrary.

ARTICLE XI.

At the termination of said Lease, any moneys, remaining in the hands of the Trustee, after paying the principal of and dividends upon the Trust Certificates, and the expenses of the Trustee, including its reasonable compensation, shall be paid to the Railroad Trustees.

ARTICLE XII.

Nothing in this Agreement, expressed or implied, is intended or shall be construed

to confer upon, or to give to, any person, firm or corporation other than the parties hereto and their successors and the bearers of the Trust Certificates and the bearers of the appurtenant dividend warrants, any right, remedy or claim, under or by reason of this Agreement, or of any term, covenant or condition thereof, and all of the terms, covenants, conditions, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the bearers of the Trust Certificates and the bearers of the dividend warrants.

ARTICLE XIII.

The term "Trustee" as used herein and in said Lease shall be held and construed to mean Continental Illinois National Bank and Trust Company of Chicago, its successors and assigns; and the term "Railroad Trustees" herein to mean and include Henry A. Scandrett, Walter J. Cummings and George I. Haight, trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, and any other or additional trustee appointed for the properties of Chicago, Milwaukee, St. Paul and Pacific Railroad Company and any corporation and any receiver or receivers in equity which or who shall succeed to the possession of not less than 75 per cent of all the owned lines of railroad comprised in the trusteeship estate and shall assume the obligations of the Railroad Trustees pursuant to the provisions of Article VIII of this Agreement. The term "Trust Equipment" whenever used herein or in said Lease, unless otherwise indicated by the context, is intended to include all railroad equipment at any time covered by said Lease or any supplemental lease or this Agreement or required or intended so to be. The term "Trust Certificate" or "Trust Certificates," whenever used herein or in said Lease, includes, unless the context otherwise indicates, both temporary and definitive certificates. The term "state" whenever used herein or in said Lease shall include the District of Columbia.

Whenever, under the provisions hereof, it is necessary or proper for any notice or demand to be given to or made upon the Railroad Trustees, or if at any time it is desired to give any such notice or make any such demand, such notice or demand may be given or made to the Railroad Trustees by depositing a written statement thereof, securely enclosed in a postpaid wrapper, in the United States registered mail, directed to the Railroad Trustees at Union Station Building, Chicago, Illinois, and an affidavit by any person representing or acting on behalf of the Trustee as to such mailing, shall be conclusive evidence of the giving of such notice and the making of such demand.

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

IN WITNESS WHEREOF the parties of the first and third part have hereunto set their hands and seals, and the party of the second part has caused its corporate name to be signed hereto by its officers thereunto duly authorized and its corporate seal to be hereto affixed, duly attested, as of the day and year first above written.

V. P. NELSON (L.S.)

PAUL B. ROBB (L.S.)

Signed, sealed and delivered by
V. P. Nelson and Paul B. Robb
in the presence of:

R. E. Guither

E. F. Hartman
Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
As Trustee.

(CORPORATE SEAL)

By F. E. MUSGROVE
Vice-President.

(Corporate Seal)

Attest:

E. B. STOFFT
Assistant Secretary.

Signed, sealed and delivered by
Continental Illinois National
Bank and Trust Company of Chicago
in the presence of:

R. E. Guither

E. F. Hartman
Attesting Witnesses.

Henry A. Scandrett (L.S.)

Walter J. Cummings (L.S.)

George I. Haight (L.S.)

As Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually.

Signed, sealed and delivered by
Henry A. Scandrett, Walter J.
Cummings and George I. Haight,
in the presence of:

W. A. Dietze

N. L. Steneck
Attesting Witnesses.

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 1st day of April, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within V. P. Nelson and Paul B. Robb, to me personally known and known to me to be the individuals described in and the identical persons who subscribed their names to and who executed the within and foregoing instrument in writing in my presence as parties of the first part thereto and in the presence of the two witnesses whose names are thereunto subscribed as such, and said V. P. Nelson and Paul B. Robb severally duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed for the consideration, objects, uses and purposes therein stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires April 29, 1940.

(NOTARIAL SEAL)

H. J. GROENER
Notary Public in and for the State
of Illinois, County of Cook

STATE OF ILLINOIS)
COOK COUNTY)SS.

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 2 day of April 1938.

(COOK COUNTY SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF ILLINOIS)
COUNTY OF COOK)SS.

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 1st day of April, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named F. E. MUSGROVE and E. B. STOFFT, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. MUSGROVE and E. B. STOFFT, being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. MUSGROVE resides in Chicago, in the State of Illinois, and that said E. B. STOFFT resides in Park Ridge, in the State of Illinois; that said F. E. MUSGROVE is a Vice President and said E. B. STOFFT is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that they said F. E. MUSGROVE, Vice President, and E. B. STOFFT, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed, the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and

and as the free and voluntary act and deed
voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

(NOTARIAL SEAL) H. J. GROENER

Notary Public in and for the State

of Illinois, County of Cook.

My commission as such Notary Public expires April 29, 1940

STATE OF ILLINOIS))SS.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 2 day of April 1938.

(COOK COUNTY SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF ILLINOIS,)
) SS.
COUNTY OF COOK)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on the 1st day of April, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings, and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires June 7, 1939.

(NOTARIAL SEAL) R. W. SPANGENBERG

Notary Public in and for the State

of Illinois, County of Cook.

STATE OF ILLINOIS))
COOK COUNTY) SS.

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. Spangenberg whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 2 day of April 1938.

(COOK COUNTY SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF ILLINOIS,)
) SS.
COUNTY OF COOK)

I DO HEREBY CERTIFY that the United States Internal Revenue Stamps required by law have been affixed to one of the original counterparts of the Agreement and cancelled.

H. J. GROENER

Notary Public in and for the State

(NOTARIAL SEAL) of Illinois, County of Cook.

My Commission Expires April 29, 1940

STATE OF WISCONSIN) SS.
DEPARTMENT OF STATE)

Received this 4th day
of April A.D. 1938 at 9:00
o'clock A.M. and recorded ✓
in Vol. 33 of R. R. Mtgs.
on page 352-385, Inclusive.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE by UNITED STATES TRUST COMPANY
of NEW YORK, Trustee

of GENERAL MORTGAGE dated MAY 1, 1889

to

CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY,

of CERTAIN CONSTRUCTION MATERIAL

* *

THIS INDENTURE, made this 12th day of April, A. D. 1938, by and between UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee (hereinafter referred to as "Trustee"), party of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part, WITNESSETH:

THAT WHEREAS, by an instrument bearing date May 1, 1889, and recorded in the office of the Secretary of State of Wisconsin June 17, 1889, in Vol. 8 of Railway Mortgages, pages 406, et seq., Chicago, Milwaukee and St. Paul Railway Company (hereinafter called the "Railway Company") mortgaged to United States Trust Company of New York, as Trustee, as security for certain bonds therein particularly described and referred to, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the party of the first part, which mortgage is hereinafter referred to as "General Mortgage"; and

WHEREAS, in and by Article XI of said General Mortgage, it is provided that upon the certificate of the Railway Company expressed by resolution of its Executive Committee, duly certified, setting forth that the Railway Company desires to dispose of any real or personal property covered by said General Mortgage, and that the same is no longer requisite or convenient for the operation of the lines of railway conveyed by said General Mortgage, and that it is for the interest of the parties thereto that the same be sold or disposed of, the said Trustee shall, from time to time, release such property from the lien and operation of said General Mortgage; and

WHEREAS, the Railroad Company, party of the second part herein, is the grantee of and successor to the Railway Company in the ownership of the lines of railway and property subject to the lien of said General Mortgage and has assumed the obligations of the Railway Company in respect of said General Mortgage and of the bonds issued and outstanding thereunder; and

WHEREAS, the use of the property hereinafter particularly described and released by the party of the first part, from the lien of said General Mortgage is no longer requisite, necessary, convenient, or advantageous for the use or convenience of the Railroad Company in connection with, or in the operation of, the lines of railway conveyed by, and subject to, the lien of said General Mortgage, or other lines of railway which may be subject thereto, and it is to the interest of said Railroad Company and of the Trustees under said General Mortgage that the property be sold, disposed of and released from the lien of said General Mortgage; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. Nelson and PAUL B. ROBB the property, hereinafter described, for the cash consideration of One Hundred Forty Nine Thousand, Eight Hundred Fifty-six Dollars and Fifteen Cents ($149,856.15) and have requested the Trustee of said Mortgage to release the property, hereinafter described, from the lien of said General Mortgage; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, United States Trust Company of New York, as Trustee, in consideration of the premises and of the sum of One Dollar to it paid, the receipt of which is hereby acknowledged, does hereby release, from the lien of the aforesaid General Mortgage, the property which is particularly described as follows, to-wit:

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
C. I. Castings (From Milw. Shops FDry)	35477#	New		$ 3.61 CWT(Avg)	$1,279.88
Wheels-Last Turning Steel	160	SH	75% of new	24.15 ea	3,864.00
Axles 5x9	80	SH	75% of new	14.00 "	1,120.00
"-Scrap for Follower Plates (788# ea)	28	Scrap	$20 N. Ton	7.88 "	220.64
Journal Box Packing	1600#	New	-	5.62 CWT	89.92
Springs	400	SH	40% of new	2.87 (Avg.)	1,147.20
Journal Box Wedges	160	New	-	.50 ea	80.00
Brake Beams	80	SH	50% of new	2.85 "	228.00
Couplers	40	SH	50% of new	18.13 "	725.20
Yokes	40	SH	50% of new	9.06 "	362.40
Axle Generators	2	SH	57% of new	400.00 "	800.00
Batteries	2	SH	57% of new	305.00 "	610.00
Washstands	20	SH	25% of new	7.50 "	150.00
Dry Hoppers	30	SH	50% of new	4.00 "	120.00
Coach Seats	240	SH	29% of new	20.00 "	4,800.00
Ventilators	8	New	-	32.42 "	259.36
Grilles	92	SH	75% of new	.25 "	23.00
Grilles	18	New	-	.73 "	13.14
Window Shades & Fixtures	240	SH	50% of new	3.00 "	720.00
Lamps	110	SH	30% of new	15.00 "	1,650.00
Lamps	50	SH	50% of new	4.00 "	200.00
Basket Racks	120	SH	40% of new	6.00 "	720.00
Step Boxes	20	SH	50% of new	1.50 "	30.00
Air Brake Equipment	20	SH	50% of new	50.00 "	1,000.00
Water Coolers	20	SH	33-1/3 % of new	5.00 "	100.00
Glass	760 Pcs	SH	50% of new	.16 "	121.60
Mirrors	30 "	SH	50% of new	.55 "	16.50
Baker Heater Casing	10	SH	33-1/3 % of new	25.00 "	250.00
Veneer and Cove Metal-Wood	56414 SQ. FT.	New	-	(Avg) .10 sq.ft.	5,645.00
Doors	40	SH	40% of new	4.00 ea	160.00
Doors	40	SH	37% of new	3.00 "	120.00
Drawing and Designing	-	New	-	-	10,700.00

Items	Number of Units	SH or New	Price Base	Unit Price	Amount
Jigs & Dies & Development Work	-	New & SH	-	-	$ 5,500.00
Patterns	-	New	-	-	50.00
Bolts and Screws	3397 gr.	New	-	$ .66 gr. (Avg)	2,252.53
Nails and Bushings	202 lbs.	New	-	.21 lb. "	43.20
Hardware	1081 Pcs.	New	-	.69 ea "	741.36
Inside Trim	1599 lbs.	New	-	.35 lb. "	553.91
Electric Fittings	8458 Pcs.	New	-	.45 ea. "	3,807.63
Electric Wire & Cable	2728 ft.	New	-	.07 ft. (Avg)	202.20
Lighting Fixtures	108 Pcs	New	-	.92 ea. "	99.72
Conduit	12380 ft.	New	-	.08 ft. "	1,046.62
Paint	5333 lbs.	New	-	.07 lb. "	363.57
Glue	1300 lbs.	New	-	.14 lb. "	181.00
Pipe Fittings, Streamline	488 Pcs	New	-	.32 ea "	155.94
Pipe Fittings, Water & Steam	548 "	New	-	.57 " "	312.51
Brass and Copper Pipe	6159 Ft.	New	-	.14 ft "	887.37
Leather	28 hides	New	-	15.54 ea	435.12
Seat Covering	1360 yds	New	-	3.68 yd "	5,000.40
Welding Rod	3193 lbs.	New	-	.07 lb. "	238.79
Metal Sheets and Bars	66807 lbs.	New	-	7.89 CWt "	5,268.66
Insulation	14198 sq. ft	New	-	.13 sq ft "	1,898.15
C.I. Castings (From Milwa. Shops Fdry)	82520#	New	-	2.11 Cwt "	1,741.76
Wheels-Cast Iron	3712	New	-	10.00 ea	37,120.00
Axles 5½x10	1856	SH	75% of new	17.14 "	31,811.84
"-Scrap for Follower Plates (788# ea)	174	Scrap	$20 N. Ton	7.88 "	1,371.12
Journal Box Packing	41760#	New	-	5.62 cwt	2,346.91
Drawings and Designs	-	New	-	-	2,000.00
Jigs & Dies & Development Work	-	New & SH	-	-	7,000.00
Patterns	-	New	-	-	100.00
				T O T A L	$ 149,856.15

IN WITNESS WHEREOF, United States Trust Company of New York, Trustee, has caused these presents to be executed in its corporate name by its 1st VICE PRESIDENT, with its corporate seal hereto attached, attested by its ASST. SECRETARY the day and year first above written.

(CORPORATE SEAL)

UNITED STATES TRUST COMPANY
OF NEW YORK, TRUSTEE
By Benjamin Strong
1st VICE PRESIDENT

Attest:
Henry L. Smithers
ASST. SECRETARY.

In the presence of:
E. Wetting
C. J. Paine

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 12th day of April, 1938, the within named Benjamin Strong, 1st Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, and HENRY L. SMITHERS, ASST. SECRETARY of UNITED STATES TRUST COMPANY OF NEW YORK, both to me personally known to be the persons therein described who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 12th day of April, A. D. 1938.

(NOTARIAL SEAL)

E. A. MOELLER
Notary Public

EDWARD A. MOELLER
NOTARY PUBLIC, KINGS COUNTY
KINGS CO. CLK'S NO. 815, REG. NO. 9474
N. Y. CO. CLK'S NO 1231, REG. NO. 9 M 738
Commission expires March 30, 1939.

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 19th day of April A.D. 1938 at 11:00 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 386-389, Inclusive.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE by CHEMICAL BANK & TRUST COMPANY
Corporate Trustee
and
HOWARD B. SMITH, Individual Trustee
of FIRST and REFUNDING MORTGAGE dated FEB. 2, 1925
to
CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY,
of CERTAIN CONSTRUCTION MATERIAL.

* *

THIS INDENTURE made this 14th day of April, A. D. 1938, by and between CHEMICAL BANK & TRUST COMPANY, Successor by Merger to United States Mortgage and Trust Company, as Corporate Trustee, a corporation of the State of New York and Howard B. Smith, Successor Individual Trustee, of the City of Montclair, in the State of New Jersey (hereinafter referred to as "Trustees" parties of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY(hereinafter referred to as the "Railroad Company") party of the second part,

WITNESSETH:

THAT WHEREAS, by an instrument bearing date as of February 2, 1925, and filed for record in the office of the Secretary of State of Wisconsin, March 8, 1928 and recorded in Vol. 27 of Railroad Mortgages, Page 77, the Railroad Company mortgaged to said United States Mortgage and Trust Company and Calvert Brewer, Trustees, as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part, which mortgage is hereinafter referred to as "First and Refunding Mortgage;" and

WHEREAS, Chemical Bank & Trust Company is the Successor by Merger to United States Mortgage and Trust Company, pursuant to agreement dated June 11, 1929, filed with and approved by the Banking Department of the State of New York on June 29, 1929, and valid and effective as of that date, all as provided by law; and

WHEREAS, in and by Article Ten of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Ten prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolution, opinion and certificate as in Section 12 of said Article Ten provided, shall release from the lien and operation of said First and Refunding Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said First and Refunding Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Railroad Company has delivered to the Corporate Trustee, a certified copy of the resolutions of the Executive Committee adopted on the 24th day of March, 1938 and the opinion and certificate as required in said Section 12 of Article Ten of said First and Refunding Mortgage, whereby it appears that it is no longer necessary or expedient to retain the property hereinafter described for the operation, maintenance or use of the lines of railroad now subject to said First and Refunding Mortgage, or for use in the business of said Railroad Company; that the action and release requested are authorized by the provisions of said Article Ten of said First and Refunding Mortgage and that the resolutions and certificate aforesaid furnished to the Corporate Trustee are in compliance with the provisions of Section 12 of said Article Ten; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON AND PAUL B. ROBB, the property, hereinafter described, for the cash consideration of One hundred Forty Nine Thousand, Eight Hundred Fifty-six Dollars and Fifteen Cents ($149,856.15), and have requested the parties of the first part to release the property hereinafter described from the lien of said First and Refunding Mortgage; and

WHEREAS, the property hereinafter described is subject to the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor of the Railroad Company in ownership of said property) dated May 1, 1889, which is a lien upon said property prior to the lien of said First and Refunding Mortgage, and United States Trust Company of New York, Trustee under said General Mortgage has released said property from the lien thereof; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid First and Refunding Mortgage, the property which is particularly described as follows, to-wit:

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
C.I. Castings (From Milw. Shops FDry)	35477#	New		3.61 CWT(Avg)	$ 1,279.88
Wheels-Last Turning Steel	160	SH	75% of new	24.15 ea	3,864.00
Axles 5x9	80	SH	75% of new	14.00 "	1,120.00
"-Scrap for Follower Plates (788# ea)	28	Scrap	$20 N. Ton	7.88 "	220.64
Journal Box Packing	1600#	New	-	5.62 CWT	89.92
Springs	400	SH	40% of new	2.87 (Avg)	1,147.20
Journal Box Wedges	160	New	-	.50 Ea	80.00
Brake Beams	80	SH	50% of new	2.85 "	228.00
Couplers	40	SH	50% of new	18.13 "	725.20
Yokes	40	SH	50% of new	9.06 "	362.40
Axle Generators	2	SH	57% of new	400.00 "	800.00
Batteries	2	SH	57% of new	305.00 "	610.00
Washstands	20	SH	25% of new	7.50 "	150.00
Dry Hoppers	30	SH	50% of new	4.00 "	120.00
Coach Seats	240	SH	29% of new	20.00 "	4,800.00
Ventilators	8	New	-	32.42 "	259.36
Grilles	92	SH	75% of new	.25 "	23.00
Grilles	18	New	-	.73 "	13.14
Window Shades & Fixtures	240	SH	50% of new	3.00 "	720.00
Lamps	110	SH	30% of new	15.00 "	1,650.00

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
Lamps	50	SH	50% of new	$ 4.00 ea	$ 200.00
Basket Racks	120	SH	40% of new	6.00 "	720.00
Step Boxes	20	SH	50% of new	1.50 "	30.00
Air Brake Equipment	20	SH	50% of new	50.00 "	1,000.00
Water Coolers	20	SH	33-1/3% of New	5.00 "	100.00
Glass	760 Pcs	SH	50% of new	.16 "	121.60
Mirrors	30 "	SH	50% of new	.55 "	16.50
Baker Heater Casing	10	SH	33-1/3% of new	25.00 "	250.00
Veneer and Cove Metalwood	56414 SQ.FT.	New	- (Avg)	.10 sq.ft.	5,645.00
Doors	40	SH	40% of new	4.00 ea	160.00
Doors	40	SH	37% of new	3.00 "	120.00
Drawing and Designing	-	New	-	-	10,700.00
Jigs & Dies & Development Work	-	New & SH	-	-	5,500.00
Patterns	-	New	-	-	50.00
Bolts and Screws	3397 gr	New	-	.66 gr.(Avg)	2,252.53
Nails and Bushings	202 Lbs.	New	-	.21 lb. "	43.20
Hardware	1081 Pcs.	New	-	.69 ea "	741.36
Inside Trim	1599 lbs.	New	-	.35 lb. "	553.91
Electric Fittings	8458 Pcs.	New	-	.45 ea. "	3,807.63
Electric wire & Cable	2728 ft.	New	-	.07 ft. "	202.20
Lighting Fixtures	108 Pcs.	New	-	.92 ea. "	99.72
Conduit	12380 ft.	New	-	.08 ft. "	1,046.62
Paint	5333 lbs.	New	-	.07 lb. "	363.57
Glue	1300 lbs.	New	-	.14 lb. "	181.00
Pipe Fittings, Streamline	488 Pcs.	New	-	.32 ea "	155.94
Pipe Fittings, Water & Steam	548 "	New	-	.57 " "	312.51
Brass and Copper Pipe	6159 ft.	New	-	.14 ft "	887.37
Leather	28 hides	New	-	15.54 ea	435.12
Seat Covering	1360 yds	New	-	3.68 yd "	5,000.40
Welding Rod	3193 lbs.	New	-	.07 lb. "	238.79
Metal Sheets and Bars	66807 lbs.	New	-	7.89 Cwt "	5,268.66
Insulation	14198 sq.ft.	New	-	.13 sq. ft. "	1,898.15
C.I.Castings (From Milwa. Shops FDry)	82520#	New	-	2.11Cwt "	1,741.76
Wheels-Cast Iron	3712	New	-	10.00 ea	37,120.00

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
Axles 5½x10	1856	SH	75% of new	$ 17.14 ea	$ 31,811.84
"-Scrap for Follower Plates (788# ea)	174	Scrap	$20 N. Ton	7.88 "	1,371.12
Journal Box Packing	41760#	New	-	5.62 cwt	2,346.91
Drawings and Designs	-	New	-	-	2,000.00
Jigs & Dies & Development Work	-	New & SH	-	-	7,000.00
Patterns	-	New	-	-	100.00
				TOTAL	$ 149,856.15

PROVIDED ALWAYS, that nothing herein contained shall in any wise affect, alter or diminish the lien or encumbrance of the aforesaid First and Refunding Mortgage on the remaining parts of the properties, premises and franchises covered by it or the rights given by it against the Railroad, its successors or assigns, as security for the bonds and the performance of the covenants and obligations to be by the Railroad Company performed.

The Trustees neither assume nor shall incur any liability or responsibility in respect of recitals herein contained.

IN WITNESS WHEREOF, Chemical Bank & Trust Company, Successor Corporate Trustee by Merger to United States Mortgage and Trust Company, Trustee, has caused these presents to be executed in its corporate name by one of its ~~Corporate~~ Trust Officers, with its corporate seal hereto affixed, attested by one it its Assistant Secretaries, and said Howard B. Smith has hereunto set his hand and seal, all on the day and year first above written.

(CORPORATE SEAL)

CHEMICAL BANK & TRUST COMPANY
Successor Corporate Trustee,

By HOWARD B. SMITH
~~Corporate~~ Trust Officer

Attest:

H. C. OTTIWELL
Assistant Secretary

HOWARD B. SMITH

In the presence of:

W. Miller

Irene F. McManus

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 14 day of April, 1938, the within named HOWARD B. SMITH, TRUST OFFICER, of Chemical Bank & Trust Company and H. C. OTTIWELL, ASST. SECRETARY of Chemical Bank & Trust Company, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 14 day of April, A.D. 1938.

(NOTARIAL SEAL)

Le Roy E. Cox
Notary Public

LE ROY E. COX
NOTARY PUBLIC, WESTCHESTER COUNTY
CERTIFICATE FILED
N.Y. CLERK'S NO 387, REGISTER'S NO. 9-C-280
COMMISSION EXPIRES MARCH 30, 1939.

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 14 day of April, 1938, the within named Howard B. Smith, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 14 day of April, A.D. 1938.

(NOTARIAL SEAL) Le. Roy E. Cox
Notary Public

LE ROY E. COX
Notary Public, Westchester County
Certificate filed in
N. Y. Co. Clerk's No. 387, Register's No. 9-C-280
Commission expires March 30, 1939.

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 19th day of
April A.D. 1938 at 11:00
o'clock A.M. and recorded
in Vol. 33 of R.R. Mtgs.
on page 390-394, inclusive.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE by GUARANTY TRUST COMPANY of NEW YORK
and
MERREL P. CALLAWAY of NEW YORK, Trustees
of FIFTY YEAR MORTGAGE dated Feb. 2, 1925
to
CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD COMPANY
of CERTAIN CONSTRUCTION MATERIAL

* *

THIS INDENTURE made this 14th day of April, A. D. 1938, by and between GUARANTY TRUST COMPANY OF NEW YORK, a corporation of the State of New York and MERREL P. CALLAWAY of the City of New York and State of New York, as Trustees (hereinafter referred to as the "Trustees") parties of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part,

WHEREAS, by an instrument bearing date as of February 2, 1925 (hereinafter referred to as "Fifty-Year Mortgage") and filed for record in the office of the Secretary of State of the State of Wisconsin, on March 8, 1928, and there recorded in Book 28 of Railroad Mortgages, on page 15, the Railroad Company mortgaged to said Trustees as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part; and

WHEREAS, in and by Article Eleven of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Eleven prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolutions, opinion and certificate as in Section 12 of said Article Eleven provided, shall release from the lien and operation of said Fifty-Year Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said Fifty-Year Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON and PAUL B. ROBB, the property hereinafter described, for the cash consideration of One Hundred Forty Nine Thousand, Eight Hundred Fifty-six Dollars and Fifteen Cents ($149,856.15) and have requested the parties of the first part to release the property hereinafter described from the lien of said Fifty-Year Mortgage; and

WHEREAS, United States Trust Company of New York, Trustee under the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor of the Railroad Company in the ownership of said property) dated May 1, 1889, which mortgage is a lien upon said property prior to the lien of said Fifty-Year Mortgage, has released said property from the lien of said General Mortgage;

WHEREAS, the Railroad Company has delivered to the Trustees, a certificate of the Corporate Trustee under the First and Refunding Mortgage of the Railroad Company, which is a lien on said property prior to the lien of said Fifty-Year Mortgage, that the Trustees thereunder have released said property from the lien of said First and Refunding Mortgage in pursuance of its provisions governing releases of mortgage property; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar ($1.00) to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid Fifty-Year Mortgage and Deed

of Trust, the property which is particularly described as follows, to-wit:

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
C.I.castings (From Milw. Shops FDry)	35477#	New		$ 3.61 CWT(Avg)	$ 1,279.88
Wheels-Last Turnign Steel	160	SH	75% of new	24.15 ea	3,864.00
Axles 5x9	80	SH	75% of new	14.00 "	1,120.00
"-Scrap for Follower Plates (788# ea)	28	Scrap	$20 N. Ton	7.88 "	220.64
Journal Box Packing	1600#	New	-	5.62 CWT	89.92
Springs	400	SH	40% of new	2.87 (Avg)	1,147.20
Journal Box Wedges	160	New	-	.50 ea	80.00
Brake Beams	80	SH	50% of new	2.85 "	228.00
Couplers	40	SH	50% of new	18.13 "	725.20
Yokes	40	SH	50% of new	9.06 "	362.40
Axle Generators	2	SH	57% of new	400.00 "	800.00
Batteries	2	SH	57% of new	305.00 "	610.00
Washstands	20	SH	25% of new	7.50 "	150.00
Dry Hoppers	30	SH	50% of new	4.00 "	120.00
Coach Seats	240	SH	29% of new	20.00 "	4,800.00
Ventilators	8	New	-	32.42 "	259.36
Grilles	92	SH	75% of new	.25 "	23.00
Grilles	18	New	-	.73 "	13.14
Window Shades & Fixtures	240	SH	50% of new	3.00 "	720.00
Lamps	110	SH	30% of new	15.00 "	1,650.00
Lamps	50	SH	50% of new	4.00 "	200.00
Basket Racks	120	SH	40% of new	6.00 "	720.00
Step Boxes	20	SH	50% of new	1.50 "	30.00
Air Brake Equipment	20	SH	50% of new	50.00 "	1,000.00
Water Coolers	20	SH	33-1/3% of new	5.00 "	100.00
Glass	760 Pcs	SH	50% of new	.16 "	121.60
Mirrors	30 "	SH	50% of new	.55 "	16.50
Baker Heater Casing	10	SH	33-1/3% of new	25.00 "	250.00
Veneer and Cove Metal Wood	56414 SQ.FT.	New	- (Avg)	.10 sq.ft.	5,645.00
Doors	40	SH	40% of new	4.00 ea	160.00
Doors	40	SH	37% of new	3.00 "	120.00
Drawing and Designing	-	New	-	-	10,700.00
Jigs & Dies & Development Work	-	New & SH	-	-	5,500.00
Patterns	-	New	-	-	50.00
Bolts and Screws	3397 Gr.	New	-	.66 gr.(Avg)	2,252.53
Nails and Bushings	202 lbs.	New	-	.21 lb. "	43.20

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
Hardware	1081 Pcs.	New	-	.69 ea(Avg)	$ 741.36
Inside Trim	1599 lbs.	New	-	.35 lb. "	553.91
Electric Fittings	8458 Pcs.	New	-	.45 ea. "	3,807.63
Electric Wire & Cable	2728 ft.	New	-	.07 ft. "	202.20
Lighting Fixtures	108 Pcs	New	-	.92 ea "	99.72
Conduit	12380 ft.	New	-	.08 ft. "	1,046.62
Paint	5333 lbs.	New	-	.07 lb. "	363.57
Glue	1300 lbs.	New	-	.14 lb. "	181.00
Pipe Fittings, Streamline	488 Pcs	New	-	.32 ea "	155.94
Pipe Fittings, Water & Steam	548 "	New	-	.57 " "	312.51
Brass and Copper Pipe	6159 ft.	New	-	.14 ft "	887.37
Leather	28 hides	New	-	15.54 ea	435.12
SeatCovering	1360 yds	New	-	3.68 " "	5,000.40
Welding Rod	3193 lbs.	New	-	.07 lb. "	238.79
Metal Sheets and Bars	66807 lbs.	New	-	7.89 Cwt "	5,268.66
Insulation	14198 sq.ft.	New	-	.13 sq.ft "	1,898.15
C.I.Castings (From. Milwa. Shops FDry)	82520#	New	-	2.11 Cwt(Avg)	1,741.76
Wheels-Cast Iron	3712	New	-	10.00 ea	37,120.00
Axles 5½x10	1856	SH	75% of new	17.14 "	31,811.84
"-Scrap for Follower Plates (788# ea)	174	Scrap	$20 N. Ton	7.88 "	1,371.12
Journal Box Packing	41760#	New	-	5.62 cwt	2,346.91
Drawings and Designs	-	New	-	-	2,000.00
Jigs & Dies & Development work	-	New & SH	-	-	7,000.00
Patterns	-	New	-	-	100.00
				TOTAL	$ 149,856.15

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Fifty-Year Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, Guaranty Trust Company of New York, Trustee, has caused these presents to be executed in its corporate name by its Vice-President with its corporate seal hereto affixed, attested by its Assistant Secretary, and said Merrel P. Callaway acting by Attorney-in-fact has hereunto set his hand and seal all on the day and year first above written.

(CORPORATE SEAL)

GUARANTY TRUST COMPANY OF NEW YORK,

By HENRY A. THEIS
Vice President

Attest:
L. B. BICHER
Assistant Secretary

_____(SEAL)

In the presence of:

A.L.Greewe

Henry Macy

(CORPORATE SEAL)

MERREL P. CALLAWAY,
By Guaranty Trust Company of New York,
Attorney-in-fact

ATTEST:

L.B.BICHER
Assistant Secretary

By HENRY A THEIS
Vice President

In the presence of:

A. L. Greewe

Henry Macy

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 15th day of April, 1938, the within named HENRY A. THEIS, VICE-PRESIDENT of Guaranty Trust Company of New York, and L. B. BICHER, Assistant Secretary of Guaranty Trust Company of New York, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 15th day of April, A.D. 1938.

(NOTARIAL SEAL)

W. J. BURNHAM
Notary Public

W. J. BURNHAM
Notary Public, New York County
Clerk's No. 432, Register No. OB560
Commission Expires March 30, 1940

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 15th day of April, 1938, before me personally came HENRY A. THEIS to me known to be a Vice-President of the Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; which said corporation is known to me to be the Attorney in Fact of Merrel P. Callaway, the individual described in and who by said Attorney in Fact executed the foregoing instrument and the said HENRY A. THEIS being by me duly sworn did depose and say; that he resides in 62 North Woodland Street Englewood, New Jersey; that he is a Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument was such corporate seal and that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority and that said seal was affixed and said instrument was executed by said corporation as the act and deed of said Merrel P. Callaway under and by virtue of a power of attorney duly made by the said Merrel P. Callaway to the Guaranty Trust Company of New York, bearing date March 6, 1930, whereby the said Merrel P. Callaway did make, constitute and appoint the said Guaranty Trust Company of New York his true and lawful attorney with full power and authority to execute, acknowledge and deliver for and in his name releases of mortgaged property from the lien of the Fifty Year Mortgage bearing date February 2, 1925, made by the Chicago Milwaukee St. Paul and Pacific Railroad Company to the said Guaranty Trust Company of New York and Merrel P. Callaway, as Trustees.

(NOTARIAL SEAL)

W.J. BURNHAM
Notary Public

W. J. BURNHAM
Notary Public, New York County
Clerk's No. 432, Register No. OB560
Commission expires March 30, 1940

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 19th day of
April A. D. 1938 at 11:00
o'clock A. M. and recorded
in Vol. 33 of R. R. Mtgs.
on page 395 - 399, inclusive.

Robert L. Siebecker
Assistant Secretary of State

Rader 158-C

PARTIAL RELEASE by THE NATIONAL CITY BANK of NEW YORK
and
WILLIAM W. HOFFMAN of NEW YORK, Trustees
of ADJUSTMENT MORTGAGE dated Feb. 2, 1925
to
CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD COMPANY
of CERTAIN CONSTRUCTION MATERIAL

* *

INDENTURE made this 15th day of April, A. D. 1938, by and between THE NATIONAL CITY BANK OF NEW YORK, a corporation organized and existing as a national banking association under the laws of the United States of America, and WILLIAM W. HOFFMAN, of the City of New York in said State, as Trustees (hereinafter referred to as the "Trustees") parties of the first part and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part.

WHEREAS, by an instrument bearing date as of February 2, 1925 (hereinafter referred to as "Adjustment Mortgage") and filed for record in the office of the Secretary of State of the State of Wisconsin, and there recorded in Book 29 of Railroad Mortgages, page 1, on the 8th day of March, 1928, the Railroad Company mortgaged to said Trustees, as security for certain bonds therein mentioned, the lines of railway and property therein specificially described, including the property hereinafter particularly described and released by the parties of the first part; and

WHEREAS, in and by Article Twelve of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Twelve prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolutions, opinion and certificate as in Section 12 of said Article Twelve provided, shall release from the lien and operation of said Adjustment Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said Adjustment Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON and PAUL B. ROBB, the property hereinafter described for the cash consideration of One hundred Forty Nine Thousand, Eight Hundred Fifty-six Dollars and Fifteen Cents ($149,856.15) and have requested the parties of the first part to release the property hereinafter described from the lien of said Adjustment Mortgage; and

WHEREAS, United States Trust Company of New York, Trustee under the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor to the Railroad Company in the ownership of said property) dated May 1, 1889, which mortgage is a lien upon said property prior to the lien of said Adjustment Mortgage, has released said property from the lien of said General Mortgage; and

WHEREAS, the Railroad Company has delivered to the Trustees, a certificate of the Corporate Trustee under its First and Refunding Mortgage that the Trustees thereunder have released said property from the lien of that mortgage, in pursuance of its provisions governing releases of mortgaged property; and

Whereas, the Trustees under the Fifty-Year Mortgage of the Railroad Company, dated as of February 2, 1925, which mortgage is a lien upon said property prior to the lien of the Adjustment Mortgage, have executed, or simultaneously herewith will execute, a release of said property from the lien of the Fifty-Year Mortgage; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar ($1.00) to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid Adjustment Mortgage, the property which is particularly described as follows, to-wit:

Items	Number of Units	S.H. or New	Price Base	Unit Price	Amount
C.I.Castings (From Milw. Shops FDry)	35477#	New		$ 3.61 CWT(Avg)	$ 1,279.88
Wheels-Last Turning Steel	160	SH	75% of new	24.15 ea	3,864.00
Axles 5x9	80	SH	75% of new	14.00 "	1,120.00
"-Scrap for Follower Plates (788# ea)	28	Scrap	$20 N. Ton	7.88 "	220.64
Journal Box Packing	1600#	New	-	5.62 CWT	89.92
Springs	400	SH	40% of new	2.87 (Avg)	1,147.20
Journal Box Wedges	160	New	-	.50 ea	80.00
Brake Beams	80	SH	50% of new	2.85 "	228.00
Couplers	40	SH	50% of new	18.13 "	725.20
Yokes	40	SH	50% of new	9.06 "	362.40
Axle Generators	2	SH	57% of new	400.00 "	800.00
Batteries	2	SH	57% of new	305.00 "	610.00
Washstands	20	SH	25% of new	7.50 "	150.00
Dry Hoppers	30	SH	50% of new	4.00 "	120.00
Coach Seats	240	SH	29% of new	20.00 "	4,800.00
Ventilators	8	New	-	32.42 "	259.36
Grilles	92	SH	75% of new	.25 "	23.00
Grilles	18	New	-	.73 "	13.14
Window Shades & Fixtures	240	SH	50% of new	3.00 "	720.00
Lamps	110	SH	30% of new	15.00 "	1,650.00
Lamps	50	SH	50% of new	4.00 "	200.00
Basket Racks	120	SH	40% of new	6.00 "	720.00
Step Boxes	20	SH	50% of new	1.50 "	30.00
Air Brake Equipment	20	SH	50% of new	50.00 "	1,000.00
Water Coolers	20	SH	33-1/3% of new	5.00 "	100.00
Glass	760 Pcs.	SH	50% of new	.16 "	121.60
Mirrors	30 "	SH	50% of new	.55 "	16.50
Baker Heater Casing	10	SH	33-1/3% of new	25.00 "	250.00
Veneer and Cove Metal-wood	56414 SQ.FT.	New	-	(Avg) .10 Sq.Ft.	5,645.00
Doors	40	SH	40% of new	4.00 ea	160.00
Doors	40	SH	37% of new	3.00 "	120.00
Drawing and Designing	-	New	-	-	10,700.00

Items	Number of Units	S.H. or New	Price Base	Unit Price $		Amount
Jigs & Dies & Development Work	-	New & SH	-	-		$ 5,500.00
Patterns	-	New	-	-		50.00
Bolts and Screws	3397 gr.	New	-	.66 gr.(Avg)		2,252.53
Nails and Bushings	202 lbs.	New	-	.21 Lb.	"	43.20
Hardware	1081 Pcs.	New	-	.69 ea	"	741.36
Inside Trim	1599 lbs.	New	-	.35 lb.	"	553.91
Electric Fittings	8458 Pcs.	New	-	.45 ea	"	3,807.63
Electric Wire & Cable	2728 ft.	New	-	.07 ft.	"	202.20
Lighting Fixtures	108 Pcs	New	-	.92 ea.	"	99.72
Conduit	12380 ft.	New	-	.08 ft.	"	1,046.62
Paint	5333 lbs.	New	-	.07 lb.	"	363.57
Glue	1300 lbs.	New	-	.14 lb.	"	181.00
Pipe Fittings, Steamline	488 Pcs	New	-	.32 ea	"	155.94
Pipe Fittings, Water & Steam	548 "	New	-	.57 "	"	312.51
Brass and Copper Pipe	6159 ft.	New	-	.14 ft	"	887.37
Leather	28 hides	New	-	15.54 ea		435.12
SeatCovering	1360 yds	New	-	3.68 yd	"	5,000.40
Welding Rod	3193 lbs.	New	-	.07 lb.	"	238.79
Metal Sheets and Bars	66807 lbs.	New	-	7.89 Cwt	"	5,268.66
Insulation	14198 sq.ft.	New	-	.13 sq.ft	"	1,898.15
C.I.Castings (From Milwa. Shops Fdry)	82520#	New	-	2.11 Cwt	"	1,741.76
Wheels-Cast Iron	3712	New	-	10.00 ea		37,120.00
Axles 5½x10	1856	SH	75% of new	17.14 "		31,811.84
"-Scrap for Follower Plates (788# ea)	174	Scrap	$20 N. Ton	7.88 "		1,371.12
Journal Box Packing	41760#	New	-	5.62 cwt		2,346.91
Drawings and Designs	-	New	-	-		2,000.00
Jigs & Dies & Development Work	-	New & SH	-	-		7,000.00
Patterns	-	New	-	-		100.00
			T O T A L			$ 149,856.15

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Adjustment Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, The National City Bank of New York, Trustee, has caused these presents to be executed in its corporate name by its Vice President with its corporate seal hereto affixed, attested by its Assistant Cashier, and said William W. Hoffman has hereunto set his hand and seal, all on the day and year first above written.

THE NATIONAL CITY BANK OF NEW YORK,

(CORPORATE SEAL) TRUSTEE,

By STEWART C. PRATT
Vice President

William W. Hoffman(SEAL)
ns

Attest:

H. G. BECHTEL
Assistant Cashier

In the presence of:

E. F. Mitchell

M. E. Cooper

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 15th day of April, 1938, the within named Stewart C. Pratt, Vice President of The National City Bank of New York and H. G. Bechtel, Assistant Cashier, of The National City Bank of New York, Both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 15th day of April, A. D. 1938.

(NOTARIAL SEAL) FRANCIS M. PITT
Notary Public

Francis M. Pitt
Notary Public Kings Co. No. 264, Reg. No. 9030
Cert. filed in N. Y. Co. No. 67, Reg. No. 9-P-38
Commission expires March 30, 1939

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 15th day of April, 1938, the within named William W. Hoffman, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 15th day of April, A.D. 1938.

(NOTARIAL SEAL) FRANCIS M. PITT
Notary Public

Francis M. Pitt
Notary Public Kings Co. No. 264, Reg. No. 9030
Cert filed in N. Y. Co. No. 67, Reg. No. 9-P-38
Commission expires March 30, 1939

STATE OF WISCONSIN
DEPARTMENT OF STATE
Received this 19th day of
April A. D. 1938 at 11:00 ✓
o'clock A.M. and recorded
in Vol. 33 of R. R. Mtgs.
on page 400 - 403, inclusive.

Robert L. Siebecker
Assistant Secretary of State

Index 158c

Executed in 18 counterparts
No. 15

SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT

Dated August 1, 1937

between

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY
of Chicago, Trustee

and

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT,
Trustees;

and to an AGREEMENT dated as of Aug. 1, 1937

between

V. P. NELSON and PAUL B. ROBB (Vendors);

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
Trustee

HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees

Executed June 8, 1938.

* *

SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of August 1, 1937, between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee, as hereinafter mentioned (hereinafter called the Trustee), party of the first part and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the Railroad Trustees) parties of the second part; and to an AGREEMENT, dated as of August 1, 1937, between V. P. NELSON and PAUL B. ROBB (hereinafter called the Vendors), parties of the first part; CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee, party of the second part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin, parties of the third part.

WHEREAS, by a Lease of Railroad Equipment, dated as of August 1, 1937, between the Trustee and the Railroad Trustees, certain railroad equipment described therein was leased to the Railroad Trustees pursuant to the terms of an Agreement also dated as of August 1, 1937, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust Certificates), not exceeding in aggregate principal amount $1,920,000; and

WHEREAS, said Lease provides, among other things, that in case the actual cost of the railroad equipment therein specifically described shall not amount to at least $2,562,000, then, in addition to said railroad equipment, the Trustee shall acquire from the Vendors named therein and subject to said Lease (subject, however, to the provisions of Section 4 of Article I of said Agreement) other new railroad equipment, approved as to character by the Railroad Trustees, of such cost that the aggregate cost of all the Trust Equipment will be at least $2,562,000; and

WHEREAS, the actual cost of the equipment specifically described in said Lease does not amount to said estimated cost of $2,562,000; and

WHEREAS, the Vendors propose to transfer to the Trustee other new railroad equipment consisting of

Two Steam Passenger Locomotives,

the cost of all said new additional railroad equipment being estimated by the Railroad Trustees to be not less than the difference between the estimated cost specified in said Lease of the equipment therein specifically described and the actual cost of said equipment; and

WHEREAS, the Railroad Trustees approve the character of such new railroad equipment.

NOW, THEREFORE, THIS SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The description in the Lease of Railroad Equipment, dated as of August 1, 1937, between the Trustee and the Railroad Trustees, of the railroad equipment leased by the Trustee to the Railroad Trustees thereunder shall be modified by the addition thereto of the following:

Two Steam Passenger Locomotives--Hudson Type 4-6-4, Nos. 100 and 101.

2. Article First of said Lease shall be amended to read as follows:

"First. The cost of the Trust Equipment, whenever used herein or in said Agreement, shall mean the actual cost of the construction or purchase of the Trust Equipment, including interest payable by the above named Vendors on any funds borrowed by them to provide for such cost of construction, and including all items which may properly be included in such cost under the accounting rules of the Interstate Commerce Commission."

3. Article I, Section 4, subparagraph (c), of said Agreement, shall be amended to read as follows:

"(c) a bill or bills of sale of such Trust Equipment from the Vendors or the manufacturers thereof to the Trustee, containing or accompanied by a warranty or guaranty of the Vendors or the manufacturers to the Trustee that the title to the Trust Equipment described therein is free from any liens or encumbrances; and"

4. The Railroad Trustees covenant that, with all convenient speed after the execution hereof, they will cause this Supplement to Lease and Agreement to be duly filed, registered or recorded in all offices in which said Lease and Agreement are now filed, registered or recorded.

5. Except as hereinabove otherwise expressly provided, said Agreement and said Lease, and all the terms and provisions thereof, shall remain in full force and effect, and shall apply with full force and effect to said new additional railroad equipment.

6. This Supplement to said Lease and Agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Vendors and Railroad Trustees have hereunto set their hands and seals, and the Trustee has caused its corporate name to be signed hereto by its officers thereunto duly authorized and its corporate seal to be hereto affixed, duly attested, all as of the day and year first above written.

/s/ V. P. NELSON

/s/ PAUL B. ROBB

Signed, sealed and delivered by
V. P. Nelson and Paul B. Robb,
in the presence of:

/s/ E. J. FRIEDRICH

/s/ R. E. GUITHER

Attesting Witnesses.

(CORPORATE)
(SEAL)

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

By /s/ F. E. MUSGROVE
Vice-President

Attest:

/s/ E. J. CLAUSSEN
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

/s/ E. J. FRIEDRICH

/s/ R. E. GUITHER

Attesting Witnesses.

/s/ HENRY A. SCANDRETT

/s/ WALTER J. CUMMINGS

/s/ GEORGE I. HAIGHT

As Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually.

Signed, sealed and delivered by Henry A. Scandrett, Walter J. Cummings and George I. Haight, in the presence of:

/s/ W. A. DRETZE

/s/ HOWARD A. FLORUS

Attesting Witnesses.

STATE OF ILLINOIS,)
) SS.
COUNTY OF COOK.)

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 8th day of June, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within V. P. Nelson and Paul B. Robb, to me personally known and known to me to be the individuals described in and the identical persons who subscribed their names to and who executed the within and foregoing instrument in writing in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said V. P. Nelson and Paul B. Robb severally duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed for the consideration, objects, uses and purposes therein stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

(NOTARIAL)
(SEAL)

/s/ H. J. GROENER
Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS,)
COOK COUNTY.) SS.

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. GROENER

whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 10th day of June 1938.

(COUNTY)
(SEAL)

/s/ MICHAEL J. FLYNN
County Clerk

STATE OF ILLINOIS,)
) SS.
COUNTY OF COOK.)

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing, therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 8th day of June, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument the within named F. E. MUSGROVE and E. J. CLAUSSEN, to me personally known and known to me to be, respectively a Vice President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. MUSGROVE and E. J. CLAUSSEN, being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. MUSGROVE resides in the City of Chicago, in the State of Illinois, and that said E. J. CLAUSSEN resides in the City of Evanston, in the State of Illinois; that said F. E.MUSGROVE is a Vice President and said E. J. CLAUSSEN is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that they said F. E. MUSGROVE, Vice President and E. J. CLAUSSEN, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed, the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

(NOTARIAL)
(SEAL)

/s/ H. J. GROENER
Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS,)
) SS.
COOK COUNTY.)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. GROENER whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 10th day of June, 1938.

(COUNTY)
(SEAL)

/s/ MICHAEL J. FLYNN
County Clerk

STATE OF ILLINOIS,)
) ss.
COUNTY OF COOK.)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 7th day of June, 1938 personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me (to) be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings, and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires June 7,1939.

(NOTARIAL)
(SEAL)

/s/ R. W. SPANGENBERG
Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS)
) SS.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. Spangenberg whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments in said State of Illinois, and to administer oaths; all of which appears from the records and files of my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 10 day of June 1938

(Cook County)
(SEAL)

MICHAEL J. FLYNN County Clerk.

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 13th day of June A.D. 1938 at 10:00 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 404 - 409, Incl.

Robert L. Siebecker
Assistant Secretary of State

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RELEASE

by the

UNITED STATES TRUST COMPANY, of NEW YORK, Trustee

to

ORMSBY AUTO EQUIPMENT COMPANY

OF CERTAIN LOTS IN THE CITY OF MILWAUKEE

FROM LIEN OF TRUST DEED

EXECUTED BY CHICAGO AND NORTH WESTERN RAILWAY COMPANY

Nov. 1, 1897.

****

KNOW ALL MEN BY THESE PRESENTS:

That UNITED STATES TRUST COMPANY OF NEW YORK, a corporation of the State of New York, as surviving Trustee, for and in consideration of the sum of ONE DOLLAR ($1.00) and other good and valuable considerations, the receipt whereof is hereby confessed, does hereby remise, release, convey and quit-claim to ORMSBY AUTO EQUIPMENT COMPANY all right, title, interest, claim and demand whatsoever it may have acquired in, through or by a certain deed of trust bearing date November 1, 1897, recorded in the office of the Secretary of State in and for the State of Wisconsin, on November 13, 1897, in Volume 11 on Page 333 in and to the following described premises, situated in the City of Milwaukee, County of Milwaukee, State of Wisconsin, to-wit:

That part of Lots Six (6), Seven (7) and Eight (8) in Block Twenty (20), and of the Southerwesterly one-half of Windsor Place, vacated, adjoining said Lot Six (6), all in Glidden and Lockwood's Addition in the City of Milwaukee which lies easterly of a line drawn parallel with and forty (40) feet distant, at right angles, easterly from the center line of the most easterly main track of the Chicago and North Western Railway Company, as said main track is now constructed and operated over and across said lots. The property hereby conveyed having a frontage of about One Hundred Seventy-two and Thirty-five One-Hundredths (172.35) feet on Summit Avenue and having a depth of about One Hundred Twenty-one and Eighty-two One-hundredths (121.82) feet on the center line of Windsor Place vacated and contains an area of Nine Thousand, Nine Hundred and Ninety-eight (9,998) square feet, more or less.

This Release is executed upon the written request of CHARLES P. MEGAN, Trustee of the property of Chicago and North Western Railway Company, C. T. DIKE, Vice President and Chief Engineer and BARRET CONWAY, Vice President and Secretary of said Railway Company, in pursuance of the power and authority vested in said Trustee by the provision of Article Six of said Deed of Trust; said Railway Company having sold the property so released to said Ormsby Auto Equipment Company and upon proper certificate that the property hereinbefore described is no longer of use in the operation of its mortgaged lines of railway and that the continuity of the lines of the railway of the Railway Company is not and will not be broken and that it is no longer necessary or expedient to retain the same for such operation, maintenance or use of its line of railway or for use in its business.

JOHN A STEWART, individual Trustee named in said Deed of Trust, having died, and no individual Trustee having been appointed, this Instrument is Executed by the UNITED

STATES TRUST COMPANY OF NEW YORK as the surviving Trustee.

IN WITNESS WHEREOF the said UNITED STATES TRUST COMPANY OF NEW YORK has caused these presents to be signed by its Vice President, its corporate seal to be hereunto affixed and attested by its Asst. Secretary , all on this 24th day of June A. D., Nineteen Hundred and Thirty-eight.

(CORPORATE SEAL)

UNITED STATES TRUST COMPANY OF NEW YORK, AS TRUSTEE

BY T. H. WILSON
VICE PRESIDENT.

ATTEST:

H. L. SMITHERS
ASST. SECRETARY

SIGNED, SEALED AND DELIVERED
ON BEHALF OF THE UNITED STATES TRUST
COMPANY OF NEW YORK IN PRESENCE OF:

E. Witting

C. J. Paine

STATE OF NEW YORK)
) SS
CITY AND COUNTY OF NEW YORK)

I, Charles S. Yarwood Jr. a Notary Public, for said City and County of New York in the State of New York, do hereby certify that T. H. Wilson personally known to me to be the Vice President of the UNITED STATES TRUST COMPANY OF NEW YORK and H. L. Smithers personally known to me to be the Asst. Secretary of said UNITED STATES TRUST COMPANY OF NEW YORK, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Asst. Secretary, appeared before me this day in person and severally acknowledged that they as such Vice President and Asst. Secretary, respectively, signed, sealed and delivered the said instrument as the free and voluntary act of the UNITED STATES TRUST COMPANY OF NEW YORK, pursuant to authority given by the Board of Trustees of said Company for the uses and purposes therein set forth, and I further certify that I know the seal affixed to said instrument to be the corporate seal of said company.

GIVEN under my hand and official seal this 24th day of June A. D. Nineteen Hundred and Thirty-eight.

(NOTARIAL SEAL)

CHARLES S. YARWOOD JR.
NOTARY PUBLIC.

MY COMMISSION EXPIRES:

March 30, 1939

CHARLES S. YARWOOD, Jr. Notary Public
Queens Co. Clk's No. 2118, Reg. No. 5966
Cert filed N. Y. Co. Clk's No. 23, Reg. No. 9-y-11
Commission expires March 30, 1939.

STATE OF WISCONSIN) SS.
DEPARTMENT OF STATE)

Received this 12th day of
July A. D. 1938 at 2:45
o'clock P. M. and recorded
in Vol. 33 of R. R. Mtgs, Etc.,
on page 410 & 411.

Robert L. Siebecker
Assistant Secretary of State

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EQUIPMENT CONVEYANCE DATED JULY 8, 1938

EXECUTED by

CITY BANK FARMERS TRUST COMPANY and JAMES H. PERKINS, Trustees

to

CHICAGO, ST. PAUL, MINNEAPOLIS and OMAHA RAILWAY COMPANY

of certain equipment formerly covered by lease

dated May 1, 1928

included in Series "E"

C. St.P.M. & O. RY. CO. EQUIPMENT TRUST OF 1917.

****

WHEREAS, under date of February 5, 1917, an Agreement was entered into by and between John D. Caldwell, Charles Jensch, Charles P. Nash and W. H. Thorn, as Vendors, of the first part, The Farmers' Loan and Trust Company and Edwin S. Marston, as Trustees, of the second part, and the Chicago, Saint Paul, Minneapolis and Omaha Railway Company of the third part, known as the CHICAGO, SAINT PAUL, MINNEAPOLIS AND OMAHA RAILWAY COMPANY EQUIPMENT TRUST AGREEMENT OF 1917, providing for the procuring by the Vendors of Equipment as required by said Railway Company from time to time, and the conveyance and delivery thereof to said Trustees, and the issuance by said Trustees of Equipment Trust Certificates to an amount not to exceed the cost thereof, and the leasing of said equipment by said Trustees to said Railway Company; and

WHEREAS, thereafter, on the first day of June, 1920, a Supplemental Agreement was made and entered into by and between said John D. Caldwell, Charles Jensch, Charles P. Nash and W. H. Thorn, Vendors, of the first part, The Farmers' Loan and Trust Company and Edwin S. Marston, as Trustees, of the second part, and the Chicago, Saint Paul, Minneapolis and Omaha Railway Company, of the third part, supplemental to said Equipment Trust Agreement of February 5, 1917; and

WHEREAS, under date of May 1, 1928, The Farmers' Loan and Trust Company and James H. Perkins (successor Individual Trustee), as Trustees, leased to said Railway Company for the term of ten (10) years from said date, certain equipment which had been acquired by said Vendors and transferred to said Trustees under said Trust Agreement, described as follows:

Number of Vehicles	Description	Marked	Numbered
250	50-ton Steel Gondola Cars	C.St.P.M. & O. Ry. Co.	87001 to 87499 inclusive (odd numbers only)
2	Gas-Electric Passenger and Baggage Motor Cars	C.St.P.M. & O. Ry. Co.	2000 and 2001

all of which equipment was represented by EQUIPMENT TRUST CERTIFICATES, SERIES "E", issued pursuant to said Trust Agreement; and

WHEREAS, it was provided in said Lease that upon its termination and performance by the Railway Company of its covenants and obligations thereunder, the said Trustees should convey and transfer to it all of the equipment covered thereby, which would thereafter be the absolute property of said Railway Company; and

WHEREAS, said Lease has now terminated, and said Railway Company has fully performed all of its covenants and obligations thereunder, and the said EQUIPMENT TRUST CERTIFICATES,

SERIES "E", have now been all retired and cancelled, or otherwise provided for, and said Railway Company is now entitled to have the said equipment covered thereby conveyed and transferred to it by said Trustees, so as to become its absolute property and held by it free from any right or interest of the Trustees or the holders of said Equipment Trust Certificates therein; and

WHEREAS, the said The Farmers' Loan and Trust Company has become and is now known as the City Bank Farmers Trust Company, and said Edwin S. Marston is no longer living, and James H. Perkins of Greenwich, Conn., has been duly appointed Trustee in place of said Edwin S. Marston, deceased;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the premises and of the sum of One Dollar ($1.00) to them in hand paid, the receipt whereof is hereby acknowledged, the said City Bank Farmers Trust Company and James H. Perkins, as such Trustees, do hereby convey, assign, transfer and set over to said Chicago, Saint Paul, Minneapolis and Omaha Railway Company all of the above described equipment, and all their right, title and interest therein.

IN WITNESS WHEREOF, the said City Bank Farmers Trust Company, as Trustee, has caused these presents to be signed by a Vice-President, and its corporate seal to be hereunto affixed, and attested by its Asst. Secretary, and said James H. Perkins, as Trustee, has hereunto set his hand and seal this 8th day of July A.D. 1938.

CITY BANK FARMERS TRUST COMPANY, as Trustee

By STEWART C PRATT
Vice President

(CORPORATE SEAL)

Attest:

H. BOTTENUS
Asst. Secretary

JAMES H. PERKINS (Seal)
As Trustee

Witnesses:

S. L. Smith

Horace B. B. Robinson

STATE OF NEW YORK)
) SS
CITY AND COUNTY OF NEW YORK)

I, Francis M. Pitt, a Notary Public acting in and for the City and County of New York, in the State of New York, do hereby certify that on this 8th day of July in the year 1938, before me, the subscriber, personally appeared Stewart C. Pratt and H. Bottenus, Vice President and Ass't. Secretary, respectively, of City Bank Farmers Trust Company, a corporation, and on said same day also appeared before me by its said officers, the said City Bank Farmers Trust Company, being known to me to be the corporation whose name is subscribed to the foregoing instrument, and which executed the same as one of the parties of the first part; that said Stewart C. Pratt and H. Bottenus are personally known to me to be the Vice President and Asst. Secretary, respectively, of said City Bank Farmers Trust Company, and the identical persons whose names are subscribed to the foregoing instrument as Vice President and Asst. Secretary of said corporation; that said Stewart C. Pratt and H. Bottenus then and there severally acknowledged that they signed, sealed and delivered the foregoing instrument as the Vice President and Asst. Secretary, respectively, of said City Bank Farmers Trust Company, and in behalf of said corporation and by order of its Board of Directors, and that they were Vice President and Asst. Secretary, respectively, of said corporation at the time of the execution of said foregoing instrument, and that the seal attached to said instrument is the corporate seal of

said City Bank Farmers Trust Company, and was affixed to said instrument on behalf of said corporation, and by order of its Board of Directors; and I further certify that said Stewart C. Pratt and H. Bottenus then and there severally acknowledged that they executed said instrument as their free and voluntary act and deed as such Vice President and Asst. Secretary, respectively, and as the free and voluntary act and deed of said City Bank Farmers Trust Company, and for the uses and purposes in said instrument set forth.

And at the same time said Stewart C. Pratt and H. Bottenus being by me severally/ and duly sworn, did severally depose and say that they resided, the said Stewart C. Pratt at 1107 Fifth Avenue in the City of New York, N. Y., and the said H. Bottenus at 311 Warren Avenue in Mamaroneck, N. Y., and that said City Bank Farmers Trust Company is a corporation; that they are and at the time of the execution of the foregoing instrument were the Vice President and Asst. Secretary, respectively, of said City Bank Farmers Trust Company, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that they signed the foregoing instrument as Vice President and Asst. Secretary, respectively, of said corporation and in its behalf, and by order of its Board of Directors; and that the seal affixed to said instrument is the seal of said City Bank Farmers Trust Company and was so affixed by them by order of the Board of Directors of said corporation.

And I further certify that I know the seal affixed to the foregoing instrument is to be the corporate seal of said City Bank Farmers Trust Company, and that said instrument is executed and acknowledged according to, and in conformity with the laws of the State of New York.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official Seal as Notary Public for the City and County of New York, in the State of New York, on said 8th day of July 1938.

(NOTARIAL SEAL)

Francis M. Pitt
Notary Public acting in and for the City and County of New York, in the State of New York.

Francis M. Pitt
Notary Public Kings Co. No. 264, Reg. No. 9030
Cert filed in N. Y. Co. No. 67, Reg. No. 9-P-88
Commission expires March 30, 1939

State of New York)
County of New York) ss: No. 51524

I, ARCHIBALD R. WATSON, Clerk of the County of New York, and also Clerk of the Supreme Court in and for said county, DO HEREBY CERTIFY, That said Court/of Record, is a court having by law a seal; that Francis M. Pitt whose name is subscribed to the annexed certificate or proof of acknowledgment of the annexed instrument was at the time of taking the same a NOTARY PUBLIC acting in and for said county, duly commissioned and sworn, and qualified to act as such; that he has filed in the Clerk's Office of the County of New York a certified copy of his appointment and qualification as Notary Public for the County of Kings with his autograph signature; that as such Notary Public, he was duly authorized by the laws of the State of New York to protest notes; to take and certify depositions; to administer oaths and affirmations; to take affidavits and certify the acknowledgment and proof of deeds and other written instruments for lands, tenements and hereditaments, to be read in evidence or recorded in this state; ant further, that I am well acquainted with the handwriting of such Notary Public and verily believe that his signature to such proof or acknowledgement is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said court at the City of New York, in the County of New York, this 12 day of July 1938

(SEAL)

Archibald R. Watson
Clerk.

STATE OF NEW YORK)
) SS
CITY AND COUNTY OF NEW YORK)

I, Anna Shepard a Notary Public in and for the City and County of New York, in the State of New York, do hereby certify that on this 11th day of July in the year 1938, before me, the subscriber, personally appeared James H. Perkins, personally known to me to be the identical person whose name is subscribed to the foregoing instrument and who is described in the said instrument, and executed the same as one of the parties of the first part; and that said James H. Perkins then and there acknowledged that he signed, sealed and delivered and executed the foregoing instrument as his free and voluntary act and deed, and for the uses and purposes therein set forth.

And I further certify that said foregoing instrument is executed and acknowledged according to and in conformity with the laws of the State of New York.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal as Notary Public for the City and County of New York, in the State of New York, on said 11th day of July 1938.

(NOTARIAL SEAL)

Anna Shepard
Notary Public acting in and for the City and County of New York in the State of New York.

NOTARY PUBLIC, New York County
New York County Clerk's No. 227
New York, Co. Register's No. 9S727
Commission Expires March 30, 1939

State of New York)
)ss.: No. 79592
County of New York,)

I, ARCHIBALD R. WATSON, Clerk of the County of New York, and also Clerk of the Supreme Court for the said County, the same being a Court of Record, having a seal, DO HEREBY CERTIFY, That Anna Shepard whose name is subscribed to the deposition or certificate of the proof or acknowledgment of the annexed instrument, and thereon written, was, at the time of taking such deposition, or proof and acknowledgment, a Notary Public in and for such County, duly commissioned and sworn, and authorized by the laws of said State, to take depositions and to administer oaths to be used in any Court of said State and for general purposes; and also to take acknowledgments and proofs of deeds, of conveyances for land, tenements or hereditaments in said State of New York. And further, that I am well acquainted with the handwriting of such Notary Public, and verily believe that the signature to said deposition or certificate of proof or acknowledgment is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, the 12 day of July 1938.

(SEAL)

Archibald R. Watson
Clerk.

STATE OF WISCONSIN)
) SS
DEPARTMENT OF STATE)

Received this 21st day of July A. D. 1938 at 1:00 o'clock P.M. and recorded in Vol. 33 of R. R. Mtgs. on page 412-415, Incl.

Robert L. Siebecker
Assistant Secretary of State

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RE-ACKNOWLEDGMENT OF DEED

from the

INTERSTATE TRANSFER RAILWAY COMPANY

to the

DULUTH, MISSABE and IRON RANGE RAILWAY COMPANY
Covering certain land in DOUGLAS COUNTY.
Dated March 21st, 1938.

****

DEED

THIS INDENTURE, Made this twenty-first day of March, Nineteen Hundred and Thirty-eight, between Interstate Transfer Railway Company, a Wisconsin Corporation, hereinafter called the Grantor, party of the first part, and Duluth, Missabe and Iron Range Railway Company, a Minnesota Corporation, hereinafter called the Grantee, party of the second part.

WITNESSETH, That the Grantor, for One (1.00) Dollar and other good and valuable considerations to it in hand paid by the Grantee, the receipt and sufficiency of which are acknowledged, does hereby grant, bargain, sell and convey unto the Grantee, its successors and assigns, the following described real estate situated in the County of Douglas, State of Wisconsin, to-wit:

Northeast Quarter (NE¼) of Section Seventeen (17), Township Forty-eight (48) North, Range Fourteen (14) West, except the southerly one-fourth (¼) of the Southwest Quarter (SW¼) of said Northeast Quarter (NE¼);

Also the West Half of Northwest Quarter W½ of NW¼) of Section Sixteen (16) in said Township Forty-eight (48) North, Range Fourteen (14) West;

Excepting therefrom, however, the railroad right of way of the Grantor over and across said described lands as the same is now surveyed, laid out, constructed and in use, and subject to the easement for railway purposes of Northern Pacific Railway Company over and across a portion of the Northwest Quarter (NW¼) of said Northeast Quarter (NE¼) of said Section Seventeen (17);

Also that parcel of land containing Fourteen and Eighty-three Hundredths (14.83) acres, more or less, in Lot Two (2), Section Fourteen (14), Township Forty-eight (48) North, Range Fourteen (14) West, and being all that part of said Lot Two (2) lying south of the southerly line of the railroad right of way of the Grantor as the same is now surveyed, laid out, constructed and in use, and west of the Nemadji River as the same flows over and across said Lot Two (2);

Also that parcel of land containing Six and Thirty-three Hundredths (6.33) acres, more or less, situated in and being all that part of the Southeast Quarter of Northeast Quarter of Southeast Quarter (SE¼ of NE¼ of SE¼) of Section Fifteen (15), Township Forty-eight (48) North, Range Fourteen (14) West, lying South of the railroad right of way of the Grantor as the same is now surveyed, laid out, constructed and in use over and across said part of said Section Fifteen (15) herein described;

Also all that part of the Northeast Quarter of Southwest Quarter (NE¼ of SW¼) of Section Fifteen (15), Township Forty-eight (48) North, Range Fourteen (14) West, lying north of the railroad right of way as the same is now surveyed, laid out, constructed and in use over and across said Northeast Quarter (NE¼) of said Southwest Quarter (SW¼), and west of the westerly right of way line of Minneapolis, St. Paul & Sault Ste. Marie Railway Company;

All according to the United States Government Survey thereof.

TO HAVE AND TO HOLD the same, together with all the appurtenances and hereditaments thereunto belonging or in anywise appertaining, and all of the estate, right, title, interest and claim whatsoever of the Grantor either in law or equity, either in possession or expectancy, to the use, benefit and behoof of the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has caused this instrument to be executed in its behalf by its President, its corporate seal to be hereunto affixed, and the same to be attested by its Secretary, the day and year first above written.

(CORPORATE SEAL) INTERSTATE TRANSFER RAILWAY COMPANY

Signed, Sealed and Delivered
in Presence of:

C. E. CARLSON
President

Ruth K. Holt

Attest: J. W. KEMPTON
Secretary

Anna R. Fink

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

Be it known that on this twenty-first day of March, Nineteen Hundred and Thirty-eight, before me a Notary Public, within and for said County and State, personally came C. E. Carlson, President, and J. W. Kempton, Secretary, of Interstate Transfer Railway Company, a Wisconsin Corporation, the Grantor above named, to me known to be such officers of such Corporation and to be the persons who executed the foregoing instrument in its behalf and acknowledged that they executed the same as such Officers as the Deed of said Corporation, by authority of its Board of Directors.

HAROLD A. MAHER
(Harold A. Maher) Notary Public

(NOTARIAL SEAL)

St. Louis County, Minnesota
My Commission expires March 27, 1938.

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 23rd day of
March A.D. 1938 at 11:50
o'clock A.M. and recorded in
Vol. 32 of R. R. Mtgs. on
page 624-625, inclusive.

Robert L. Siebecker
Assistant Secretary of State

RE-ACKNOWLEDGMENT

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

Be it known that on this twenty-fifth day of May, Nineteen Hundred and Thirty-eight, before me a Notary Public, within and for said County and State, personally came C. E. Carlson, President, and J. W. Kempton, Secretary, of Interstate Transfer Railway Company,

a Wisconsin Corporation, the Grantor above named, to me known to be such officers of such Corporation and to be the persons who executed the foregoing instrument in its behalf and acknowledged that they executed the same as such Officers as the Deed of said Corporation, by authority of its shareholders and Board of Directors.

(NOTARIAL SEAL)

HAROLD A MAHER
Notary Public,
St. Louis County, Minnesota.

My Commission expires March 27, 1945.

STATE OF WISCONSIN) SS.
DEPARTMENT OF STATE)

Received this 30th day
of July A.D. 1938 at 10:45
o'clock A. M. and recorded ✓
in Vol. 33 of R. R. Mtgs.
on page 416-418 inclusive.

Robert L. Siebecker
Assistant Secretary of State

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PENNSYLVANIA RAILROAD EQUIPMENT TRUST, SERIES I

LEASE OF RAILROAD EQUIPMENT

Dated July 1, 1938

FIDELITY-PHILADELPHIA TRUST COMPANY

to

THE PENNSYLVANIA RAILROAD COMPANY

AGREEMENT

Dated July 1, 1938

HORACE W. LATIMER

and

CHARLES McCALL, Vendors

with

FIDELITY-PHILADELPHIA TRUST COMPANY

and

THE PENNSYLVANIA RAILROAD COMPANY

* *

Lease of Railroad Equipment, dated the first day of July, 1938, between FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and THE PENNSYLVANIA RAILROAD COMPANY, a corporation duly organized and existing under the laws of the said Commonwealth (hereinafter called the Company), party of the second part:

WHEREAS, by certain Agreement, bearing date the first day of July, 1938, between Horace W. Latimer and Charles McCall, Vendors, said Fidelity-Philadelphia Trust Company, as Trustee, and The Pennsylvania Railroad Company, a counterpart original whereof is hereto annexed and made a part hereof, there was constituted the "Pennsylvania Railroad Equipment Trust, Series I," and it was agreed that the railroad equipment which said Vendors transfer or cause to be transferred to the Trustee thereunder is to be leased to the Company hereunder; and

WHEREAS, pursuant to the provisions of said Agreement, the railroad equipment hereinafter described has been or will be transferred to the Trustee thereunder, and the title to said railroad equipment vested in the Trustee:

NOW THIS AGREEMENT WITNESSETH:

That the Trustee, acting in pursuance of said Agreement, for and in consideration as well of the sum of one dollar to it paid by the Company at or before the ensealing and delivery hereof, the receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company, has let and leased, and does hereby let and lease, to the Company all the railroad equipment of the Pennsylvania Railroad Equipment Trust, Series I (hereinafter collectively called the Trust Equipment), to wit:

1,000 Class G-27 Steel Mill Type Gondola Cars; numbered 344500 to 345499, both inclusive.

6 Class F-33 Steel Well Type Flat Cars; numbered 470090 to 470095, both inclusive.

2 Class F-34 Heavy Duty Flat Cars; numbered 470200 and 470201.

2 Class P-82-R Lightweight Passenger Coaches; numbered 4000 and 4001.

20 Class GG-1 Electric Passenger Locomotives for high speed service with heavy trains, operating from an overhead wire at 11,000 volts, single phase; numbered 4869 to 4888, both inclusive.

Together with such other or additional railroad equipment as shall be acquired for said trust and subjected to this lease as hereinafter provided.

The estimated cost of the railroad equipment above specifically described, when completed, has been certified to the Trustee to be not less than $8,440,000. The cost of the Trust Equipment, whenever referred to herein or in said Agreement, shall mean the actual cost thereof, including only such items as may properly be included in such cost under the accounting rules of the Interstate Commerce Commission.

In case the actual cost of said equipment specifically described shall not amount to at least said sum, then in addition to said equipment above specifically described, there shall be acquired by the Vendors and subjected to this Lease (subject, however, to the provisions of Section 5 of Article I of said Agreement) other new railroad equipment, approved as to character by the Trustee, of such cost that the aggregate cost of all the Trust Equipment will be at least said sum; and the Trustee shall execute to the Company a supplemental lease thereof, describing the same, upon and subject to the terms and conditions hereof and of said Agreement, and such additional equipment shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described.

As and when the Trust Equipment shall from time to time be transferred and delivered to the Trustee under said Agreement and marked in accordance with the provisions of Article Fourth hereof, the same shall be delivered to the Company, and shall upon such delivery to the Company ipso facto and without further deed of lease or transfer pass under and become subject to all the terms and provisions of this Lease, and be deemed a portion of the Trust Equipment leased by the Trustee to the Company hereunder, in all respects as if the same had been so delivered simultaneously with the execution and delivery hereof.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

FIRST. The Company hereby accepts (subject to the conditions mentioned in said Agreement) this Lease of all the Trust Equipment, and hereby covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee or its assigns (or in the case of taxes to the proper taxing authority) rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable:

(a) From time to time, as and when any of the Trust Equipment shall be delivered to the Company, amounts in cash equal to the difference between the cost of the Trust Equipment so delivered, as certified to the Trustee by the President or a Vice-President, or the Treasurer or an Assistant Treasurer of the Company, and the principal amount of Trust Certificates issuable in respect thereof as provided in Section 2 of Article I of said Agreement, provided that the aggregate of all amounts so paid to the Trustee shall never be less than twenty-five per cent. (25%) of the cost of all the Trust Equipment

which shall then and theretofore have been delivered hereunder.

(b) If the aggregate cost of all the Trust Equipment which shall then and theretofore have been delivered hereunder should exceed $8,440,000, an amount which, with all other payments previously made under this clause (b), shall equal such excess.

(c) The necessary and reasonable expenses of the trust, including all expenses connected with the Trust Equipment and this Lease thereof, and with the preparation, issuance and sale of the Trust Certificates.

(d) Any and all taxes, assessments and other governmental charges upon the income or property of the trust, or said Agreement evidencing the same, which the Trustee under said Agreement may be required to pay, and any and all taxes, assessments and other governmental charges (other than Federal income taxes and except such portion of such taxes, assessments or other charges of the Commonwealth of Pennsylvania as may be in the aggregate in excess of four mills per annum on each dollar of the principal of the Trust Certificates) which the Company or the Trustee may be required to pay or to retain from the principal of the Trust Certificates issued as provided in said Agreement (herein called the Trust Certificates) or from the dividends thereon, under any present or future law of the United States of America or of the Commonwealth of Pennsylvania.

(e) The dividend warrants attached to the Trust Certificates when and as the same shall become payable, and, in the case of the issue of temporary Trust Certificates, the dividends payable thereon; also a sum equal to accrued dividends at the warrant rate, from the due date, upon the amount of any installments of rental payable under this paragraph (e) and the following paragraph (f) which shall not be paid when due.

(f) The principal of the Trust Certificates when and as the same shall become payable, whether by declaration or upon the respective dates of maturity thereof, to wit:

July 1, 1939	$422,000
July 1, 1940	$422,000
July 1, 1941	422,000
July 1, 1942	422,000
July 1, 1943	422,000
July 1, 1944	422,000
July 1, 1945	422,000
July 1, 1946	422,000
July 1, 1947	422,000
July 1, 1948	422,000
July 1, 1949	422,000
July 1, 1950	422,000
July 1, 1951	422,000
July 1, 1952	422,000
July 1, 1953	422,000

The Company shall not be required, however, to pay any tax, assessment or other governmental charge so long as the Company shall in good faith and by appropriate legal proceedings contest the validity thereof, unless thereby, in the judgment of the Trustee, the rights or interests of the Trustee or of the Trust Certificate holders may be materially endangered; provided that nothing herein shall qualify or affect the right of the Trust Certificate holders to receive full and punctual payment of both dividends and principal without deduction for such taxes, assessments or other governmental charges to the extent provided in subdivision (d) of this Article First.

All rentals payable hereunder shall be payable at the principal office of the Trustee in the City of Philadelphia, Commonwealth of Pennsylvania, in such coin or currency of the United States of America as, at the time of payment, is legal tender for public and private debts.

SECOND. This Lease shall continue in force until the rent so paid hereunder shall furnish moneys sufficient to meet, discharge and cancel all the interests in said Pennsylvania Railroad Equipment Trust, Series I, created in respect of the Trust Equipment, and the dividends thereon, as well as the other payments and charges aforesaid. At the termination of this Lease and after all such payments required hereby shall have been completed and fully made to the Trustee, the Trust Equipment hereby leased, whether the same shall be delivered to the Company simultaneously with or after the execution hereof, shall at the option of the Company be assigned and transferred by the Trustee to the Company or its nominee or nominees, and shall thereupon be and become the absolute property of the Company or its nominee or nominees; provided, however, and it is agreed, that until then the title to none of the Trust Equipment shall pass to or vest in the Company but title to and ownership of all the Trust Equipment shall be reserved to and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company

THIRD. Upon the written request of the Company, stating that the use of any of the Trust Equipment is no longer required by the Company, evidenced by a resolution of its Board of Directors, the Trustee may, while the Company is not in default hereunder, execute and deliver a bill of sale assigning and transferring to the purchaser named by the Company the absolute title to any of the Trust Equipment; provided, however, that none of the Trust Equipment shall be so assigned or transferred, unless simultaneously the Trustee shall receive from said purchaser the agreed purchase price thereof and from the Company a sum in cash equal to the difference, if any, between said purchase price and the original cost (as previously certified pursuant to subdivision (d) of Section 5 of Article I of said Agreement) to the Vendors of the equipment so assigned and transferred, less an amount representing depreciation arising from reasonable wear and tear to be determined by the method at the time in standard railroad practice for determining such depreciation, as certified to the Trustee by the President or a Vice-President of the Company, of the equipment so assigned and transferred. The sums so paid to the Trustee shall be held by it for the equal and proportionate benefit of the bearers and registered holders of the Trust Certificates and dividend warrants, until paid out by the Trustee upon the written request of the Company for the purchase by the Trustee of new railroad rolling stock, free from liens, and upon the delivery of such new equipment to the Trustee accompanied by a bill or bills of sale, and opinion of counsel (who may be counsel to the Company) and a certificate as to delivery and cost in like manner as is provided in Section 5 of Article I of said Agreement. The Company will pay as rental for the Trust Equipment any additional moneys necessary to be paid to the manufacturers of such new railroad rolling stock, if the cost thereof exceeds sums then in the hands of the Trustee to be applied on account thereof. Any new equipment so acquired and substituted shall be marked in accordance with the provisions of Article Fourth hereof and immediately upon being so marked shall be part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement in all respects as though it had been part of the original Trust Equipment herein described, and the Company and the Trustee shall execute, and the Company shall file and/or record, as required by

law, a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof. The term "Trust Equipment," wherever used herein, unless otherwise indicated by the context, is intended to include any new equipment so acquired or otherwise subjected to this Lease or required or intended so to be.

FOURTH. At or before the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each thereof a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each thereof, in either case in letters not less than one inch in height:

"Pennsylvania Railroad Equipment Trust, Series I, Fidelity-Philadelphia Trust Co., Trustee, Owner and Lessor."

Such plate or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of the Trust Equipment. In case, during the continuance of this Lease, any of such plates or marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored or replaced. The Company will not change, or permit to be changed, the numbers upon any of the Trust Equipment (nor any numbers which may be substituted as herein provided), except in accordance with a statement of new numbers to be substituted therefor, which previously shall have been filed with the Trustee by the Company. In any such case the new numbers shall be set forth in a Supplemental Lease or in an amendment of this Lease, which shall be recorded in the same manner as this Lease.

The Trust Equipment may be lettered "The Pennsylvania Railroad Company," "Pennsylvania," "P. R. R.," or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein; but the Company, during the continuance of this Lease, will not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

FIFTH. (a) The Company, during the continuance of this Lease, will maintain and keep all the Trust Equipment in good order and repair, at its own proper cost and charge, and will replace, at its own cost, any of the Trust Equipment that may be worn out, lost or destroyed, by new railroad rolling stock of equal value, the value of the new rolling stock to be figured at cost if that be below market value, or at market value if that be below cost. For the purpose of this Article Fifth the value of such replaced equipment shall be taken to be the cost thereof, determined as provided in Article First hereof, less depreciation accrued thereon, determined as provided in Article Third hereof. The title to all rolling stock procured for such replacement shall be taken in the name of the Trustee, free from liens, and such rolling stock shall be marked in accordance with the provisions of Article Fourth hereof. At the time of every such replacement the Company shall deliver to the Trustee a certificate of the Treasurer or an Assistant Treasurer of the Company stating the value of the Trust Equipment so worn out, lost or destroyed and the cost and the reasonable market value of the equipment with which it is replaced, together with a bill or bills of sale, an opinion of counsel satisfactory to the Trustee (who may be counsel to the Company) and a certificate as to delivery, in like manner as is provided in Section 5 of Article I of said Agreement.

Thereupon, such new equipment shall be deemed part of the Trust Equipment, subject to all the terms and conditions hereof and of said Agreement, as though it had been part

the original Trust Equipment; but the Trustee and the Company shall execute a supplemental lease thereof, describing the same, upon and subject to all the terms and conditions hereof.

(b) The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every year during the continuance of this Lease, an accurate statement of the amount, description and numbers of the Trust Equipment then covered hereby, and the amount, description and numbers of all that may have been worn out, lost or destroyed by accident or otherwise, and the number of units of Trust Equipment repaired during the previous year, and the number of units then undergoing repairs and in the shops for repairs. Together with said statement the Company shall also furnish to the Trustee a statement signed by its Chief of Motive Power or an Assistant Chief of Motive Power, stating that in the case of all of the Trust Equipment repainted during the preceding year, the marks required by Article Fourth hereof have been preserved, or that the same when repainted has been again marked as required by said Article. The Trustee shall have the right, by its agents, to inspect the Trust Equipment once in every year during the continuance of this Lease.

(c) The Company covenants and agrees to indemnify and protect the Trustee and its assigns in the use of any and all patented inventions employed in and about the Trust Equipment and to comply in all respects with the laws of the United States and of all the states in which the Trust Equipment or any thereof may be operated and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including, but without limitation, all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such act, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SIXTH. The Company, so long as it shall not be in default under this Lease, shall be entitled to the possession of the Trust Equipment and the use thereof upon the lines of railroad owned or operated by it under lease or otherwise, or over which it has trackage rights, and upon those of any railroad company a majority of whose capital stock is at the time owned by the Company, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Trust Equipment by the Trustee to the Company, but only upon and subject to all the terms and conditions of this Lease.

The Company covenants to file or record as required by law this Lease and said Agreement and any supplemental lease or supplemental agreement as provided in Section 4 of Article III of said Agreement.

The Company will not either assign or transfer this Lease, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as hereinbefore provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. A transfer to a railroad company which shall acquire all or substantially all the lines of railroad of the Company, and which shall assume and agree to perform each and all of the obligations and covenants of

of the Company, hereunder and under said Agreement, shall not be deemed a breach of this Covenant, nor shall the appointment of a temporary receiver or receivers, trustee or trustees, for the Company or its property, be deemed such a breach; but the appointment of a permanent receiver or receivers, trustee or trustees, shall be deemed a breach of this covenant. The Trustee shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of this Lease or transfer or sublease of the Trust Equipment. The election of the Trustee to terminate this Lease under this clause shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SEVENTH. In case the Company

(1) shall make default in the payment of any part of said rent for more than thirty (30) days after the same shall become due and payable, or

(2) shall make or suffer any unauthorized assignment or transfer of its rights or interest in, or any unauthorized sublease of, or, except as herein authorized, part with the possession of, the Trust Equipment, or any thereof, and shall fail or refuse either to cause such assignment or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty days to deposit with the Trustee a sum in cash equal to the original cost to the Vendors of the Trust Equipment so assigned or transferred or sub-leased as certified to the Trustee pursuant to Section 5 of Article I of said Agreement (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or sublease, and the recovery of possession by the Company of such Trust Equipment in good condition, subject to ordinary usage), or

(3) shall, for more than ninety (90) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants herein or in said Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance,

then, in any such case (herein and in said Agreement sometimes called events of default), the Trustee at its option may, and on the request of the holders of one-quarter in amount of the then outstanding Trust Certificates shall by its agents, enter upon the railroads and premises of the Company and take possession of all or any part of the Trust Equipment, and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any thereof, and may lease the Trust Equipment or any part thereof, or sell the same or any part thereof, so far as it may deem necessary or desirable to perform and fulfill the trusts upon said Agreement, at public or private sale, for cash or upon credit, in its discretion, and otherwise proceed to enforce its right and the rights of the owners of interests under said Agreement and under this Lease in the manner therein and herein provided; and upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment under this Lease, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company; and no payments theretofore made by the Company for the rent or use of the Trust Equipment, or any of it, shall, in case of the happening of any such event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the

Company any legal or equitable interest or title in or to the Trust Equipment, or any of it, or any cause or right of action, at law or in equity, in respect of the Trust Equipment against the Trustee or the owners of interests in said Pennsylvania Railroad Equipment Trust, Series I; and such taking possession or withdrawal or lease or sale of the Trust Equipment by the Trustee shall not be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same, until such sum shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the various items mentioned in subdivisions (a), (b), (c), (d), (e) and (f) of Article First hereof, whether they shall have then matured or not; and, in the event that the Trustee shall have declared the principal of all the trust certificates then outstanding to be due and payable as provided in Section 2 of Article IV of said Agreement, the Trustee, at its option, may, and upon the written request of the holders of one-quarter in amount of the then outstanding trust certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (except rentals required for the payment of dividends accruing after the date of such declaration) payable by the Company as set forth in Article First of this Lease, and not theretofore paid; and thereupon the entire amount of said rentals as aforesaid shall become and be due and payable immediately, without further demand, together with interest thereafter at the dividend warrant rate on any portion thereof overdue; and for the total amount so becoming forthwith payable by the Company the Trustee shall be entitled to recover judgment, with interest at the dividend warrant rate, and to collect such judgment out of any property of the Company wherever situated.

In case the Trustee shall rightfully demand possession of the Trust Equipment in pursuance of this Lease, and shall reasonably designate a point or points upon the railroad of the Company, or upon the railroad of any company a majority of whose capital stock is at the time directly or indirectly owned by the Company, for the delivery of the Trust Equipment to it, the Company will, at its own expense, forthwith and in the usual manner and at reasonable speed, cause the Trust Equipment to proceed or be drawn to such point or points on said railroads as shall be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or the Trustee at its option may keep the Trust Equipment on any of the lines of railroad or premises of the Company until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary tracks at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of the foregoing covenants is of the essence of the contract and that upon application to any court of equity having jurisdiction in the premises the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

The remedies in this Lease and in said Agreement provided in favor of the Trustee and the holders of Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

If the Trustee shall exercise any of the powers or remedies conferred upon it hereunder, the Company shall have the right, after all rentals and other sums due hereunder to the Trustee shall have been received by the Trustee, to require title to such of the

Trust Equipment as shall not previously have been sold, assigned, transferred or otherwise disposed of by the Trustee to others to be transferred and assigned by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all sums of money received by the Trustee in the exercise of such powers or remedies there shall remain any amount due to the Trustee under the provisions of this Lease, the Company hereby agrees to pay to the Trustee the amount of such deficiency. If after applying as aforesaid all sums so received by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

EIGHTH. This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their names by their respective Presidents or Vice-Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

FIDELITY-PHILADELPHIA TRUST COMPANY,

(SEAL) By F. M. HARDT,

Vice-President

Signed, sealed, acknowledged
and delivered in the presence of:

F. E. GODFREY

F. B. PRIESTLY

Attest:

M. S. ALTEMOSE,

Assistant Secretary.

THE PENNSYLVANIA RAILROAD COMPANY,

By F. J. FELL, JR.,

(SEAL) Vice-President

Attest:

J. TANEY WILLCOX,

Secretary.

COMMONWEALTH OF PENNSYLVANIA)
) SS.
CITY AND COUNTY OF PHILADELPHIA)

I, F. B. Priestly, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on July 22, 1938, before me the subscriber, a Notary Public as aforesaid, personally appeared F. M. Hardt, Vice-President of Fidelity-Philadelphia Trust Company, one of the corporations which executed the foregoing instrument in writing, bearing date of July 1, 1938, whose name is signed thereto, and the said F. M. Hardt, to me personally known, being by me duly sworn, did depose and say that he resides in Bryn Mawr, in the County of Montgomery, in the State of Pennsylvania; that he is a Vice-President of the said Fidelity-Philadelphia Trust Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instruments; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and

by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said Fidelity-Philadelphia Trust Company; and that he desired the same to be recorded as such.

F. M. HARDT.

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the say and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

(NOTARIAL SEAL)

F. B. PRIESTLY,
Notary Public.

My Commission Expires December 2, 1940.

COMMONWEALTH OF PENNSYLVANIA)
) SS.
CITY AND COUNTY OF PHILADELPHIA)

I, Ernest H. Brown, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on 22nd July, 1938, before me the subscriber, a Notary Public as aforesaid, personally appeared F. J. Fell, Jr., Vice-President of The Pennsylvania Railroad Company, one of the corporations which executed the foregoing instrument in writing, bearing date of July 1, 1938, whose name is signed thereto, and the said F. J. Fell, Jr., to me personally known, being by me duly sworn, did depose and say that he resides in Mont Clare, in the County of Montgomery, in the State of Pennsylvania; that he is a Vice-President of said The Pennsylvania Railroad Company, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice-President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of said The Pennsylvania Railroad Company; and that he desired the same to be recorded as such.

F. J. FELL, JR.

Subscribed and sworn before me, and my hand and notarial seal hereto affixed in witness whereof the say and year aforesaid.

(NOTARIAL SEAL)

ERNEST H. BROWN
Notary Public.

Commission Expires 21 February, 1939

This Agreement, dated the first day of July, 1938, by and between HORACE W. LATIMER and CHARLES MCCALL (hereinafter called the Vendors), of the first part, FIDELITY-PHILADELPHIA TRUST COMPANY, of Philadelphia, Pennsylvania (hereinafter called the Trustee), of the second part, and THE PENNSYLVANIA RAILROAD COMPANY (hereinafter called the Company), of the third part, WITNESSETH as follows:

WHEREAS, the Vendors have contracted to acquire or will acquire or contract to acquire the railroad equipment (hereinafter called the Trust Equipment) specificially described in the Lease of railroad equipment from the Trustee to the Company prefixed to this Agreement, to which Lease reference is hereby made; and

WHEREAS, subscriptions have been or are being secured for the aggregate principal amount of six million three hundred thirty thousand dollars ($6,330,000.) of the Pennsylvania Railroad Equipment Trust Certificates, Series I, the proceeds to constitute a fund to be furnished to the Trustee to be applied by it in part payment of the purchase price of said Trust Equipment to be acquired by the Trustee; and

WHEREAS, said Vendors desire to secure to the parties subscribing to said fund, or their assigns, the payment of the amount thereof in fifteen annual installments, payable respectively on July 1, in each year, from July 1, 1939 to July 1, 1953, both inclusive, as hereinafter more particularly provided, with dividends to said dates of maturity respectively at the rate of two and three-quarters per cent. (2 3/4%) per annum from July 1, 1938, payable semi-annually on January 1 and July 1, in each year; and to evidence the rights of the subscribers to said fund by Trust Certificates in substantially the form hereinafter set forth:

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.

SECTION 1. The Vendors hereby agree to sell, assign, transfer and set over unto the Trustee, as trustee for the bearers and registered owners of the Trust Certificates hereinafter described, the Trust Equipment described in said Lease prefixed hereto when and as the Trust Equipment or any part thereof is constructed or completed, together with all the Vendors' rights under contracts for the manufacture thereof. The Vendors will deliver, or cause to be delivered, the Trust Equipment to the person or persons designated by the Trustee as its agent or agents to receive such delivery, who may be any one or more of the officers and agents of the Company, and the certificate of any and every agent so designated shall be conclusive evidence of such delivery. The Trustee and the Company, simultaneousaly with the execution of this Agreement, have executed and delivered said Lease of all the Trust Equipment.

SECTION 2. Upon the transfer and delivery to the Trustee of any of the Trust Equipment it shall, subject to the provisions of Section 5 of this Article I, issue to the subscribers to said Pennsylvania Railroad Equipment Trust, Series I, as designated in writing by the Vendors, such of the certificates to be known as Pennsylvania Railroad Equipment Trust Certificates, Series I, herein called the Trust Certificates, as shall be designated by the Vendors, to a principal amount equal to seventy-five per cent.(75%) of the cost of the Trust Equipment so transferred and delivered to it, or to the greatest multiple of $1,000 contained therein, and make payment to the Vendors, or upon their order, in cash, of the remainder of said cost, out of the installment of rental payable upon such delivery pursuant to subdivision (a) of Article First of said Lease. Any amount by which seventy-five per cent (75%) of the cost of such Trust Equipment shall exceed the greatest multiple of $1,000 contained therein shall be adjusted upon the delivery of the next lot of Trust Equipment hereunder.

SECTION 3. In lieu of executing and delivering Trust Certificates against the delivery of Trust Equipment as in Section 2 of this Article I provided, the Trustee shall at any time, upon request of the Vendors, execute and deliver to the subscribers to said Pennsylvania Railroad Equipment Trust, Series I, as designated in writing by the Vendors, all the Trust Certificates issuable hereunder, upon the deposit in cash with the Trustee, or to its credit as Trustee hereunder, with such banks, bankers or trust companies as may be designated by the Vendors and approved by the President or a Vice President, or the Treasurer of the Company, and also approved by the President or a Vice-President, or the Treasurer of the Trustee, of the sum of $6,330,000, or the proceeds of the Trust Certificates, whichever shall be greater. The Trustee may likewise cause to be deposited with such banks, bankers or trust companies the installments of rental payable to it on each delivery of Trust Equipment pursuant to subdivisions (a) and (b) of Article First of

said Second Vice-President and said Assistant Cashier, who executed the foregoing instrument and severally acknowledged that, as such Second Vice-President and as such Assistant Cashier of said corporation, they executed and delivered said instrument of writing, as such Second-Vice President and such Assistant Cashier of said corporation and acknowledged that they executed the same as such officers and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said Corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation by its authority, for the uses and purposes therein set forth, and acknowledged the seal affixed thereto to be the common and corporate seal of said corporation and that the signing, sealing, acknowledgment and delivery of said instrument was duly authorized by a resolution of its Board of Directors.

GIVEN under my hand and official seal the day and year aforesaid.

(NOTARIAL SEAL) C. E. VAN NAME

C. E. Van Name
Notary Public, Richmond County
Certificates filed in
New York County Clerk's No. 15
Register's No. 9-V-10
Queens County Clerk's No. 1283
Register's No. 5249
Commission Expires March 30, 1939

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 25th day of August A.D. 1938 at 9:00 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 449 & 450.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE by UNITED STATES TRUST COMPANY
of GENERAL MORTGAGE dated MAY 1, 1889
to
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
OF CERTAIN CONSTRUCTION MATERIAL

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THIS INDENTURE, made this 8th day of August, A. D. 1938, by and between UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee (hereinafter referred to as "Trustee"), party of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part, WITNESSETH:

THAT WHEREAS, by an instrument bearing date May 1, 1889, and recorded in the office of the Secretary of State of the State of Wisconsin June 17, 1889, in Vol. 8 of Railway Mortgages, pages 406, et seq., Chicago, Milwaukee and St. Paul Railway Company (hereinafter called the "Railway Company") mortgaged to United States Trust Company of New York, as Trustee, as security for certain bonds therein particularly described and referred to, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the party of the first part, which mortgage is hereinafter referred to as "General Mortgage;" and

WHEREAS, in and by Article XI of said General Mortgage, it is provided that upon the certificate of the Railway Company expressed by resolution of its Board of Directors or Executive Committee, duly certified, setting forth that the Railway Company desires to dispose of any real or personal property covered by said General Mortgage, and that the same is no longer requisite or convenient for the operation of the lines of railway conveyed by said General Mortgage, and that it is for the interest of the parties thereto that the same be sold or disposed of, the said Trustee shall, from time to tome, release such property from the lien and operation of said General Mortgage; and

WHEREAS, the Railroad Company, party of the second part herein, is the grantee of and successor to the Railway Company in the ownership of the lines of railway and property subject to the lien of said General Mortgage and has assumed the obligations of the Railway Company in respect of said General Mortgage and of the bonds issued and outstanding thereunder; and

WHEREAS, the use of the property hereinafter particularly described and released by the party of the first part, from the lien of said General Mortgage is no longer requisite, necessary, convenient, or advantageous for the use or convenience of the Railway Company in connection with, or in the operation of, the lines of railway conveyed by, and subject to, the lien of said General Mortgage, or other lines of railway which may be subject thereto, and it is to the interest of said Railroad Company and of the Trustee under said General Mortgage that the property be sold, disposed of and released from the lien of said General Mortgage; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. Nelson and Paul B. Robb the property, hereinafter described, for the cash consideration of Four Thousand, Two Hundred Thirty-six Dollars and Eighty-one Cents ($4,236.81), and have requested the Trustee of said Mortgage to release the property, hereinafter described, from the lien of said General Mortgage; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, United States Trust Company of New York, as Trustee, in consideration of the premises and of the sum of One Dollar to it paid, the receipt of which is hereby

acknowledged, does hereby release, from the lien of the aforesaid General Mortgage, the property which is particularly described as follows, to-wit:

Item	No. of Units	S.H. or new	Price Base	Avg. Unit Price	Amount
Cast Iron Castings Milwaukee Shops Foundry	1,388#	New	-	$ 2.58 cwt	$ 35.81
Wheels-Cast Iron Milwaukee Shops Foundry	40	New	-	7.97 ea.	318.80
A-Axles-5½x10 788# ea	20	S.H.	75% new	17.14 ea.	342.80
B-Axles-Scrap for Follower Plates (788#each)	3	Scrap	$15.85 net ton	6.24 ea.	18.72
Journal Box Packing	450#	New	-	5.62 cwt.	25.29
Cast Iron Castings	6,244#	New	New	3.26 cwt.	203.55
Axles, scrap for Follower Plates 788# each	3	Scrap	$15.85 NT	6.24 ea.	18.72
Complete sets sleeping car sections	6	S.H.	50% of new	195.52 per set	1,173.12
4 K:W Axle generators complete with regulators and reverse current relay	4	S.H.	55% of new	525.00	2,100.00
			TOTAL		$ 4,236.81

IN WITNESS WHEREOF, United States Trust Company of New York, Trustee, has caused these presents to be executed and its corporate seal hereto attached, attested by its Asst. Secretary, the day and year first above written.

(CORPORATE SEAL) UNITED STATES TRUST COMPANY OF NEW YORK, TRUSTEE,

By T. H. WILSON
VICE PRESIDENT

Attest:

H. I. PRATT, JR.
ASST. SECRETARY

In the presence of:

E. Witting

C. J. Paine

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 8th day of August, 1938, the within names THOMAS H. WILSON, Vice President of United States Trust Company of New York, and H. I. PRATT, JR., ASST. SECRETARY of United States Trust Company of New York, both to me personally known to be the persons therein described who executed the foregoing instrument and acknowledged the same.

Given under my hand and notarial seal this 8th day of August, A. D. 1938.

(NOTARIAL SEAL) E. A. MOELLER
Notary Public

EDWARD A MOELLER
NOTARY PUBLIC, Kings county
Kings Co. Clk's No. 815, Reg. No. 9474
N. Y. Co. Clk's No. 1231, Reg. No. 9 M 738
Commission expires March 30, 1939

STATE OF WISCONSIN)
) ss.
Department of State)

Received this 26th day of August, A. D. 1938 at 9:50 o'clock A. M. and recorded in Vol. 33 of R. R. Mtgs. on page 451-453, incl.

ROBERT L. SIEBECKER,
Assistant Secretary of State

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PARTIAL RELEASE BY CHEMICAL BANK & TRUST COMPANY
CORPORATE TRUSTEE
AND
HOWARD B. SMITH, INDIVIDUAL TRUSTEE
Of FIRST & REFUNDING MORTGAGE dated FEB. 2, 1925
TO
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
Of CERTAIN CONSTRUCTION MATERIAL.

****

THIS INDENTURE made this 10th day of August, A. D. 1938, by and between CHEMICAL BANK & TRUST COMPANY, Successor by Merger to United States Mortgage and Trust Company, as Corporate Trustee, a corporation of the State of New York and Howard B. Smith, Successor Individual Trustee, of the City of Montclair, in the State of New Jersey (hereinafter referred to as "Trustees" parties of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the"Railroad Company") party of the second part,

WITNESSETH:

THAT WHEREAS, by an instrument bearing date as of February 2, 1925, and filed for record in the office of the Secretary of State of the State of Wisconsin on March 8, 1928, and recorded in Book 27 of Railroad Mortgages, page 77, the Railroad Company mortgaged to said United States Mortgage and Trust Company and Calvert Brewer, Trustees, as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part, which mortgage is hereinafter referred to as "First and Refunding Mortgage;" and

WHEREAS, Chemical Bank & Trust Company is the Successor by Merger to United States Mortgage and Trust Company, pursuant to agreement dated June 11, 1929, filed with and approved by the Banking Department of the State of New York on June 29, 1929, and valid and effective as of that date, all as provided by law; and

WHEREAS, in and by Article Ten of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Ten prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolution, opinion and certificate as in Section 12 of said Article Ten provided, shall release from the lien and operation of said First and Refund- Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said First and Refunding Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Railroad Company has delivered to the Corporate Trustee, a certified copy of the resolutions of the Executive Committee adopted on the 21 day of July, 1938, and the opinion and certificate as required in said Section 12 of Article Ten of said First and Refunding Mortgage, whereby it appears that it is no longer necessary or expedient to retain the property hereinafter described for the operation, maintenance or use of the lines of railroad now subject to said First and Refunding Mortgage, or for use in the business of said Railroad Company; that the action and release requested are authorized by the provisions of said Article Ten of said First and Refunding Mortgage and that the resolutions and certificate aforesaid furnished to the Corporate Trustee are in compliance with the provisions of Section 12 of said Article Ten; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON and PAUL B. ROBB, the property, hereinafter described, for the cash consideration of Four Thousand Two Hundred Thirty Six Dollars and Eighty-one Cents ($4,236.81), and have requested the parties of the first part to release the property hereinafter described from the lien of said First and Refunding Mortgage; and

WHEREAS, the property hereinafter described is subject to the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor of the Railroad Company in ownership of said property) dated May 1, 1889, which is a lien upon said property prior to the lien of said First and Refunding Mortgage, and United States Trust Company of New York, Trustee under said General Mortgage has released said property from the lien whereof; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid First and Refunding Mortgage, the property which is particularly described as follows, to-wit;

Item	No. of Units	S.H. or New	Price Base	Avg. Unit Price	Amount
Cast Iron Castings Milwaukee Shops Foundry	1,388#	New	-	$ 2.58 cwt	$ 35.81
Wheels-cast iron Milwaukee Shops Foundry	40	New	-	7.97 ea.	318.80
A-Axles-5½ x 10 788# ea	20	S.H.	75% New	17.14 ea.	342.80
B-Axles-Scrap for Follower Plates (788#each)	3	Scrap	$15.85 Net Ton	6.24 ea.	18.72
Journal Box Packing	450#	New	-	5.62 cwt.	25.29
Cast Iron Castings	6,244#	New	New	3.26 cwt.	203.55
Axles, Scrap for follower plates, 788# each	3	Scrap	$15.85 NT	6.24 ea.	18.72
Complete sets sleeping car sections	6	S.H.	50% of New	195.52 per set	1173.12
4 K:W Axle generators complete with regulators and reverse current relay	4	S.H.	55% of New	525.00	2100.00
				TOTAL	$ 4236.81

PROVIDED ALWAYS, that nothing hereincontained shall in any wise affect, alter or diminish the lien or encumbrance of the aforesaid First and Refunding Mortgage on the remaining parts of the properties, premises and franchises covered by it or the rights given by it against the Railroad, its successors or assigns, as security for the bonds and the performance of the covenants and obligations to be by the Railroad Company performed.

The Trustees neither assume nor shall incur any liability or responsibility in respect of recitals herein contained.

IN WITNESS WHEREOF, Chemical Bank & Trust Company, Successor Corporate Trustee by Merger to United States Mortgage and Trust Company, Trustee, has caused these presents to be executed in its corporate name by its Corporate Trust Officer, with its corporate seal hereto affixed, attested by one of its Assistant Secretaries, and said Howard B.

Smith has hereunto set his hand and seal, all on the day and year first above written.

(CORPORATE SEAL)

CHEMICAL BANK & TRUST COMPANY,
Successor Corporate Trustee,

By W. C. VON ARX
Corporate Trust Officer

Attest:

H. C. OTTIWELL
Assistant Secretary

HOWARD B. SMITH (SEAL)

In the presence of:

Frank J. Pohl

R. H. Theiman

This is Page 5 of an Indenture dated August 10, 1938, releasing certain new and second-hand materials from the lien of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company First and Refunding Mortgage dated February 2, 1925.

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 11th day of August, 1938, the within named W. C. Von Arx Corporate Trust Officer, of Chemical Bank & Trust Company, and H. C. Ottiwell, Asst. Secretary of Chemical Bank & Trust Company, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 11th day of August, A. D. 1938.

(NOTARIAL SEAL)

Le Roy E. Cox
Notary Public

Le Roy E. Cox
Notary Public, Westchester County
Certificate filed in
N.Y. Co. Clerk's No. 387, Register's No.9-C-280
Commission expires March 30, 1939

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 11th day of August, 1938, the within named Howard B. Smith, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 11th day of August, A.D. 1938.

(NOTARIAL SEAL)

Le Roy E. Cox
Notary Public

Le Roy E. Cox
Notary Public, Westchester County
Certificate filed in
N.Y. Co. Clerk's No. 387, Register's No.9-C-280
Commission expires March 30, 1939

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 25th day of
August A.D. 1938, at 9:50
o'clock A.M. and recorded in Vol.
33 of R. R. Mtgs. on page 454 - 456, Incl.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE BY GUARANTY TRUST COMPANY OF NEW YORK

AND

MERREL P. CALLAWAY of NEW YORK, TRUSTEES

Of FIFTY YEAR MORTGAGE dated FEB. 2, 1925

TO

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

OF CERTAIN CONSTRUCTION MATERIAL

****

THIS INDENTURE made this 15th day of August, A. D. 1938, by and between GUARANTY TRUST COMPANY OF NEW YORK, a corporation of the State of New York and MERREL P. CALLAWAY of the City of New York and State of New York, as Trustees (hereinafter referred to as the "Trustees") parties of the first part, and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "Railroad Company") party of the second part,

WHEREAS, by an instrument bearing date as of February 2, 1925 (hereinafter referred to as "Fifty-Year Mortgage") and filed for record in the office of the Secretary of State of the State of Wisconsin, on March 8, 1928, and there recorded in Book 28 of Railroad Mortgages, on page 15, the Railroad Company mortgaged to said Trustees as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part; and

WHEREAS, in and by Article Eleven of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Eleven prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolutions, opinion and certificate as in Section 12 of said Article Eleven provided, shall release from the lien and operation of said Fifty-Year Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said Fifty-Year Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON and PAUL B. ROBB, the property hereinafter described, for the cash consideration of Four Thousand Two Hundred Thirty-Six Dollars and Eighty-one Cents ($4,236.81) and have requested the parties of the first part to release the property hereinafter described from the lien of said Fifty-Year Mortgage; and

WHEREAS, United States Trust Company of New York, Trustee under the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor of the Railway Company in the ownership of said property) dated May 1, 1889, which mortgage is a lien upon said property prior to the lien of said Fifty-Year Mortgage, has released said property from the lien of said General Mortgage;

WHEREAS, the Railroad Company has delivered to the Trustees, a certificate of the Corporate Trustee under the First and Refunding Mortgage of the Railroad Company, which is a lien on said property prior to the lien of said Fifty-Year Mortgage, that the Trustees thereunder have released said property from the lien of said First and Refunding Mortgage in pursuance of its provisions governing releases of mortgage property; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the parties of the first part, as Trustees, in consideration of the premises and of the sum of One Dollar ($1.00) to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid Fifty-Year Mortgage and Deed of Trust, the property which is particularly described as follows, to-wit:

Item	No. of Units	S.H. or New	Price Base	Avg. Unit Price	Amount
Cast Iron Castings Milwaukee Shops Foundry	1,388#	New	-	$ 2.58 cwt	$ 35.81
Wheels-cast iron Milwaukee Shops Foundry	40	New	-	7.97 ea.	318.80
A-Axles-5½ x 10 788# ea	20	S.H.	75% new	17.14 ea.	342.80
B-Axles-Scrap for Follower plates (788# each)	3	Scrap	$15.85 net ton	6.24 ea.	18.72
Journal Box Packing	450#	New	-	5.62 cwt.	25.29
Cast Iron Castings	6,244#	New	New	3.26 cwt.	203.55
Axles, scrap for follower plates, 788# each	3	Scrap	$15.85 NT	6.24 ea.	18.72
Complete sets sleeping car sections	6	S.H.	50% of new	195.52 per set	1,173.12
4 K:W Axle generators complete with regulators and reverse current relay	4	S.H.	55% of new	525.00	2,100.00
				TOTAL	$ 4,236.81

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Fifty-Year Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, Guaranty Trust Company of New York, Trustee, has caused these presents to be executed in its corporate name by its Corporate Trust Officer with its corporate seal hereto affixed, attested by its Assistant Secretary, and said Merrel P. Callaway has hereunto set his hand and seal all on the day and year first above written.

(CORPORATE SEAL) GUARANTY TRUST COMPANY OF NEW YORK,

By ARTHUR E. BURKE
Corporate Trust Officer

Attest:

L. B. BICHER
Assistant Secretary

MERREL P. CALLAWAY (SEAL)

In the presence of:

Henry Macy

J. A. McCarthy

This is page 4 of instrument dated 8/15/38 releasing from lien of Chicago Milwaukee St. Paul and Pacific R. R. Co. Mtge and D/T d/d as of 2/2/25 certain property in County of Milwaukee, Wisconsin and conveying same to .....

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me, this 15th day of August, 1938, the within named

ARTHUR E. BURKE, Corporate Trust Officer of Guaranty Trust Company of New York, and L. B. BICHER, Assistant Secretary of Guaranty Trust Company of New York, both to me personally known to be the persons therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 15th day of August, A. D. 1938.

(NOTARIAL SEAL)

HOWARD S. WEBSTER
Notary Public

Notary Public, Westchester County
Ctf. filed in New York Co. No. 536
New York County Register's No. 0-W-337
My commission expires March 30, 1940

HOWARD S. WEBSTER

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

Personally came before me this 15th day of August 1938, the within named Merrel P. Callaway, to me personally known to be the person therein described, who executed the foregoing instrument and acknowledged the same.

GIVEN under my hand and notarial seal this 15th day of August, A. D. 1938.

(NOTARIAL SEAL)

HOWARD S. WEBSTER
Notary Public

Notary Public, Westchester County
Ctf. filed in New York Co. No. 556
New York County Register's No. 0-W-337
My commission expires March 30, 1940

HOWARD S. WEBSTER

STATE OF WISCONSIN)
) SS
DEPARTMENT OF STATE)

Received this 25th day of August A.D. 1938 at 9:50 o'clock A.M. and recorded in Vol.33 of R. R. Mtgs. on page 457-459, incl.

Robert L. Siebecker
Assistant Secretary of State

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PARTIAL RELEASE BY THE NATIONAL CITY BANK OF NEW YORK

AND

WILLIAM W. HOFFMAN OF NEW YORK, TRUSTEES,

OF ADJUSTMENT MORTGAGE dated FEB. 2, 1925

TO

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

OF CERTAIN CONSTRUCTION MATERIAL

****

INDENTURE made this 23rd day of August, A. D. 1938, by and between THE NATIONAL CITY BANK OF NEW YORK, a corporation organized and existing as a national banking association under the laws of the United States of America, and William W. Hoffman, of the City of New York in said State, as Trustees (hereinafter referred to as the "Trustees") parties of the first part and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY (hereinafter referred to as the "railroad Company") party of the second part.

WHEREAS, by an instrument bearing date as of February 2, 1925 (hereinafter referred to as "Adjustment Mortgage") and filed for record in the office of the Secretary of State of the State of Wisconsin, and there recorded in Book 29 of Railroad Mortgages, page 1, on the 8th day of March, 1928, the Railroad Company mortgaged to said Trustees as security for certain bonds therein mentioned, the lines of railway and property therein specifically described, including the property hereinafter particularly described and released by the parties of the first part; and

WHEREAS, in and by Article Twelve of said Mortgage, it is provided that from time to time the Railroad Company, subject to the conditions and limitations in said Article Twelve prescribed, and not otherwise, may sell, and the Trustees upon the delivery to the Corporate Trustee of the resolutions, opinion and certificate as in Section 12 of said Article Twelve provided, shall release from the lien and operation of said adjustment Mortgage, any property which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to said Adjustment Mortgage, or for use in the business of the Railroad Company; and

WHEREAS, the Trustees of the Railroad Company, Debtor, have sold and conveyed to V. P. NELSON and PAUL B. ROBB, the property hereinafter described for the cash consideration of Four Thousand Two Hundred Thirty Six Dollars and Eighty-one Cents, ($4,236.81) and have requested the parties of the first part to release the property hereinafter described from the lien of said Adjustment Mortgage; and

WHEREAS, United States Trust Company of New York, Trustee under the General Mortgage of Chicago, Milwaukee and St. Paul Railway Company (predecessor to the Railroad Company in the ownership of said property) dated May 1, 1889, which mortgage is a lien upon said property prior to the lien of said Adjustment mortgage, has released said property from the lien of said General Mortgage; and

WHEREAS, the Railroad Company has delivered to the Trustees, a certificate of the Corporate Trustee under its First and Refunding Mortgage, which mortgage is a lien upon said property prior to the lien of said Adjustment Mortgage, that the Trustees thereunder have released said property from the lien of that mortgage, in pursuance of its provisions governing releases of mortgaged property; and

WHEREAS, the Trustees under the Fifty-Year Mortgage of the Railroad Company, dated as of February 2, 1925, which mortgage is a lien upon said property prior to the lien of the Adjustment Mortgage, have executed, or simultaneously herewith will execute, a

release of said property from the lien of the Fifty-Year Mortgage; and

WHEREAS, the recitals herein contained are made only in behalf of said Railroad Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the parties of the first part, as Trustees, in consideration of the promises and of the sum of One Dollar ($1.00) to them paid, the receipt of which is hereby acknowledged, do hereby release from the lien of the aforesaid adjustment Mortgage, the property which is particularly described as follows, towit:

Item	No. of Units	S.H. or New	Price Base	Avg. Unit Price	Amount
Cast Iron Castings Milwaukee Shops Foundry	1,388#	New	-	$ 2.58 cwt	$ 35.81
Wheels-cast iron Milwaukee Shops Foundry	40	New	-	7.97 ea.	318.80
A-Axles-5½ x 10 788# ea	20	S.H.	75% new	17.14 ea.	342.80
B-Axles-Scrap for Follower Plates (788# each)	3	Scrap	$15.85 net ton	6.24 ea.	18.72
Journal Box Packing	450#	New	-	5.62 cwt.	25.29
Cast Iron Castings	6,244#	New	New	3.26 cwt.	203.55
Axles, scrap for Follower Plates 788# each	3	Scrap	$15.85 NT	6.24 ea.	18.72
Complete sets sleeping car sections	6	S.H.	50% of new	195.52 per set	1,173.12
4 K:W Axle generators complete with regulators and reverse current relay	4	S.H.	55% of new	525.00	2,100.00
			TOTAL		$ 4,236.81

PROVIDED ALWAYS, NEVERTHELESS, that nothing herein contained shall in anywise affect, alter or diminish the lien or encumbrance of the aforesaid Adjustment Mortgage on the remaining parts of the properties, premises and franchises covered by it, or the remedies given by it against said Chicago, Milwaukee, St. Paul and Pacific Railroad Company, its successors and assigns, as security for the bonds and performance of the acts secured by it.

IN WITNESS WHEREOF, The National City Bank of New York, Trustee, has caused these presents to be executed in its corporate name by one of its Vice-Presidents, with its corporate seal hereto affixed, attested by one of its Assistant Cashiers and said William W. Hoffman has likewise caused these presents to be executed in his name by his duly authorized attorney, all on the day and year first above written.

(CORPORATE SEAL)

THE NATIONAL CITY BANK OF NEW YORK, TRUSTEE,

By STEWART C. PRATT
Vice President

Attest:

A. B. Dewar
Assistant Cashier

WILLIAM W. HOFFMAN, as Individual Trustee
by The National City Bank of New York,
Corporate Trustee,

By STEWART C. PRATT
Vice President

Attest:

A. B. Dewar -Assistant Cashier

STATE OF NEW YORK)
) SS
NEW YORK COUNTY)

I, Francis M. Pitt, a Notary Public in and for the County and State aforesaid, do hereby certify that Stewart C. Pratt, a Vice President of The National City Bank of New York and A. B. Dewar, an Assistant Cashier of The National City Bank of New York, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and the free and voluntary act of said corporation on its own behalf as Corporate Trustee and as the Attorney-in-Fact of William W. Hoffman, as Individual Trustee, for the uses and purposes therein set forth.

GIVEN, under my hand and notarial seal this 23rd day of August, A. D. 1938.

(NOTARIAL SEAL)

FRANCIS M. PITT
Notary Public

Francis M. Pitt
Notary Public, Kings Co. No. 264, Reg. No. 9030
Cert. filed in N. Y. Co. No. 67, Reg. No. 9-P-38
Commission expires March 30, 1939

STATE OF WISCONSIN)
) SS
DEPARTMENT OF STATE

Received this 25th day of August A. D. 1938 at 9:50 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 460 - 462, incl.

Robert L. Siebecker
Assistant Secretary of State

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EXECUTED IN 19 COUNTERPARTS
NO. 19.

SUPPLEMENT TO LEASE OF RAILROAD EQUIPMENT

Dated April 1, 1938

Between

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. OF CHICAGO
TRUSTEE

And

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT
TRUSTEES.

SUPPLEMENT TO AN AGREEMENT

Dated April 1, 1938

Between

V. P. NELSON & PAUL B. ROBB, Vendors

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. OF CHICAGO
TRUSTEES

And

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT
TRUSTEES

SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1938, between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee, as hereinafter mentioned (hereinafter called the Trustee), party of the first part and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the Railroad Trustees), parties of the second part; and to an AGREEMENT, dated as of April 1, 1938, between V. P. NELSON and PAUL B. ROBB (hereinafter called the Vendors), parties of the first part; CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee, party of the second part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin, parties of the third part.

WHEREAS, by a Lease of Railroad Equipment, dated as of April 1, 1938, between the Trustee and the Railroad Trustees, certain railroad equipment described therein was leased to the Railroad Trustees pursuant to the terms of an Agreement also dated as of April 1, 1938, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series S, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust Certificates), not exceeding in aggregate principal amount $2,235,000; and

WHEREAS, said Lease provides, among other things, that in case the actual cost of the railroad equipment therein specifically described shall not amount to at least $3,210,922, then, in addition to said railroad equipment, the Trustee shall acquire from the Vendors named therein and subject to said Lease (subject, however, to the provisions of Section 4 of Article I of said Agreement) other new standard gauge railroad equipment, approved as to character by the Railroad Trustees, of such cost that the aggregate cost of all the Trust Equipment will be at least $3,210,922; and

WHEREAS, the actual cost of the equipment specifically described in said Lease does not amount to said estimated cost of $3,210,922; and

WHEREAS, the Vendors propose to transfer to the Trustee, other new standard gauge railroad equipment, consisting of six (6) passenger train cars, the difference between the estimated cost specified in said Lease of the equipment therein specifically described, and the actual cost of said equipment, being at least sufficient to pay the estimated cost of said new additional railroad equipment; and

WHEREAS, the Railroad Trustees approve the character of such new railroad equipment.

NOW, THEREFORE, THIS SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The description in the Lease of Railroad Equipment, dated as of April 1, 1938, between the Trustee and the Railroad Trustees, of the railroad equipment leased by the Trustee to the Railroad Trustees thereunder shall be modified by the addition thereto of the following:

1 mail and express car, No. 1206.

3 baggage cars, Nos. 1305, 1306 and 1307.

2 coaches, Nos. 452 and 453.

2. The Railroad Trustees covenant that, with all convenient speed after the execution hereof, they will cause this Supplement to Lease and Agreement to be duly filed, registered or recorded in all offices in which said Lease and Agreement are now filed, registered or recorded.

3. Except as hereinabove otherwise expressly provided, said Agreement and said Lease, and all the terms and provisions thereof, shall remain in full force and effect, and shall apply with full force and effect to said new additional railroad equipment.

4. This Supplement to said Lease and Agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Vendors and Railroad Trustees have hereunto set their hands and seals, and the Trustee has caused its corporate name to be signed hereto by its officers thereunto duly authorized and its corporate seal to be hereto affixed, duly attested, all as of the day and year first above written.

V. P. NELSON [L.S.]

PAUL B. ROBB [L.S.]

Signed, sealed and delivered by
V. P. Nelson and Paul B. Robb,
in the presence of:

E. J. Friedrich

R. E. Guither
Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

(CORPORATE SEAL)

By F. E. MUSGROVE
Vice-President

Attest:

E. B. Stofft
Assistant Secretary.

Signed, sealed and delivered by
Continental Illinois National Bank
and Trust Company of Chicago, in the
presence of:

E. J. Friedrich

R. E. Guither
Attesting Witnesses.

HENRY A SCANDRETT L.S
WALTER J. CUMMINGS L.S.
GEORGE I. HAIGHT L.S.

As Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually.

Signed, sealed and delivered by
Henry A. Scandrett, Walter J.
Cummings and George I. Haight, in
the presence of:

W. A. Dretze
W. L. Steneck
Attesting Witnesses

STATE OF ILLINOIS) SS.
COUNTY OF COOK.)

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 6th day of September, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within V. P. Nelson and Paul B. Robb, to me personally known to me to be the individuals described in and the identical persons who subscribed their names to and who executed the within and foregoing instrument in writing in my presence as parties of the first part thereto and in the presence of the two witnesses whose names are thereunto subscribed as such, and said V. P. Nelson and Paul B. Robb severally duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed for the consideration, objects, uses and purposes therein stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

(NOTARIAL SEAL)

H. J. GROENER
Notary Public in and for the State
of Illinois, County of Cook.

STATE OF ILLINOIS) SS.
COOK COUNTY)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of September 1938.

(SEAL)

MICHAEL J. FLYNN County Clerk.

STATE OF ILLINOIS) SS.
COUNTY OF COOK)

I, H. J. GROENER, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 6th day of September, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument the within

named F. E. MUSGROVE and E. B. STOFFT, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said F. E. MUSGROVE and E. B. STOFFT. being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. MUSGROVE resides in Chicago, in the State of Illinois, and that said E. B. STOFFT resides in Park Ridge, in the State of Illinois; that said F. E. MUSGROVE is a Vice President and said E. B. STOFFT is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that they, said F. E. MUSGROVE, Vice President and E. B. STOFFT Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

H. J. GROENER

(NOTARIAL SEAL)

Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS,)
) ss.
COUNTY OF COOK)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. GROENER whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds, or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged

according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of September, 1938.

(COUNTY SEAL) MICHAEL J. FLYNN County Clerk

STATE OF ILLINOIS,)
) ss.
COUNTY OF COOK)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 7th day of September, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings, and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires June 7, 1939.

R. W. SPANGENBERG

(NOTARIAL)
(SEAL)

Notary Public in and for the State of Illinois, County of Cook

STATE OF ILLINOIS,)
) ss.
COOK COUNTY.)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. SPENGENBERG whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 8th day of September, 1938.

(COUNTY SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF WISCONSIN)
) ss.
DEPARTMENT OF STATE)

Received this 9th day of
Sept., A. D. 1938 at 1:45 o'clock
P. M. and recorded in Vol. 33 of
R. R. Mtgs. on page 463-468, Incl.

ROBERT L. SIEBECKER
Assistant Secretary of State

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SECOND SUPPLEMENT DATED SEPT. 20, 1938 TO LEASE OF RAILROAD EQUIPMENT
DATED AUGUST 1, 1937
between
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, TRUSTEE
and
HENRY A SCANDRETT, WALTER J. CUMMINGS & GEORGE I. HAIGHT, TRUSTEES

AGREEMENT
DATED AUGUST 1, 1937
between
V. P. NELSON & PAUL B. ROBB, VENDORS
CONTINENTAL ILLINOIS NATIONAL BANK & TRUST COMPANY OF CHICAGO, TRUSTEE
and
HENRY A SCANDRETT, WALTER J. CUMMINGS & GEORGE I. HAIGHT, TRUSTEES

Executed in 19 counterparts
No. 15

SECOND SUPPLEMENT, dated September 20, 1938, TO A LEASE OF RAILROAD EQUIPMENT, dated as of August 1, 1937, between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee, as hereinafter mentioned (hereinafter called the Trustee), party of the first part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the Railroad Trustees), parties of the second part; and to an AGREEMENT, dated as of August 1, 1937, between V. P. NELSON and PAUL B. ROBB (hereinafter called the Vendors), parties of the first part, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee, party of the second part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation duly organized and existing under the laws of the State of Wisconsin, parties of the third part.

WHEREAS, by said Lease of Railroad Equipment between the Trustee and the Railroad Trustees, certain railroad equipment described therein was leased to the Railroad Trustees pursuant to the terms of said Agreement between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series R, and providing for the issue of Equipment Trust Certificates, not exceeding in aggregate principal amount $1,920,000; and

WHEREAS, by a Supplement to said Lease of Railroad Equipment between the Trustee and the Railroad Trustees, certain additional railroad equipment described therein was leased to the Railroad Trustees, pursuant to the terms of a Supplement to said Agreement between the Vendors, the Trustee and the Railroad Trustees; and

WHEREAS, said Lease provides, among other things, that in case the actual cost of the railroad equipment therein specifically described shall not amount to at least $2,562,000, then, in addition to said railroad equipment, the Trustee shall acquire from the Vendors named therein and subject to said Lease (subject, however, to the provisions of Section 4 of Article I of said Agreement) other new standard gauge railroad equipment, approved as to character by the Railroad Trustees, of such cost that the aggregate

cost of all the Trust Equipment will be at least $2,562,000; and

WHEREAS, the actual cost of the equipment specifically described in said Lease and said Supplement thereto does not amount to said estimated cost of $2,562,000; and

WHEREAS, the Vendors propose to transfer to the Trustee other new standard gauge railroad equipment consisting of Five 52'6" 50-ton flat cars, the cost of all said new additional railroad equipment being estimated by the Railroad Trustees to be not less than the difference between the estimated cost specified in said Lease and said Supplement of the equipment therein specifically described and the actual cost of said equipment; and

WHEREAS, the Railroad Trustees approve the character of such new railroad equipment.

NOW, THEREFORE, THIS SECOND SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The description in the Lease of Railroad Equipment, dated as of August 1, 1937, between the Trustee and the Railroad Trustees, of the railroad equipment leased by the Trustee to the Railroad Trustees thereunder shall be further modified by the addition thereto of the following:

Five 52'6"50-ton flat cars--Nos. 65964 to 65968 incl.

2. The Railroad Trustees covenant that, with all convenient speed after the execution hereof, they will cause this Second Supplement to Lease and Agreement to be duly filed, registered or recorded in all offices in which said Lease and Agreement and Supplement thereto are now filed, registered or recorded.

3. Except as hereinabove otherwise expressly provided, said Agreement and said Lease and said Supplement thereto, and all the terms and provisions thereof, shall remain in full force and effect, and shall apply with full force and effect to said new additional railroad equipment.

4. This Second Supplement to said Lease and Agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Vendors and Railroad Trustees have hereunto set their hands and seals, and the Trustee has caused its corporate name to be signed hereto by its officers thereunto duly authorized and its corporate seal to be hereto affixed, duly attested, all as of the day and year first above written.

V. P. Nelson (L.S.)

Paul B. Robb (L.S.)

Signed, sealed and delivered by
V. P. Nelson and Paul B. Robb,
in the presence of

E. J. Friedrich

R. E. Guither

Attesting Witnesses.

(CORPORATE SEAL)

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,

By F. E. Musgrove
Vice President

Attest:

E. B. Stofft
Assistant Secretary

Signed, sealed and delivered by
Continental Illinois National
Bank and Trust Company of
Chicago, in the presence of

E. J. Friedrich

R. E. Guither

Attesting Witnesses.

Henry A. Scandrett (L.S.)

Walter J. Cummings (L.S.)

George I. Haight (L.S.)

As Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, but not individually.

Signed, sealed and delivered by
Henry A. Scandrett, Walter J.
Cummings and George I. Haight,
in the presence of:

W. A. Dretze

Howard A. Florus

Attesting Witnesses.

STATE OF ILLINOIS,)
SS.
COUNTY OF COOK.)

I, H. J. Groener, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgements and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 20th day of September, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within V. P. Nelson and Paul B. Robb, to me personally known and known to me to be the individuals described in and the identical persons who subscribed their names to and who executed the within and foregoing instrument in writing in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said V. P. Nelson and Paul B. Robb severally duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed for the consideration, objects, uses and purposes therein stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

H. J. Groener
Notary Public in and for the State
of Illinois, County of Cook.

(NOTARY SEAL)

Form 13A

STATE OF ILLINOIS)
SS
Cook County)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener

whose name is subscribed to the proof of acknowledgement of the annexed instrument in writing , was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgements and proofs of deeds or conveyance of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

SEAL OF COUNTY CLERK

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 22 day of September 1938.

MICHAEL J. FLYNN - County Clerk

STATE OF ILLINOIS)
SS.
COUNTY OF COOK)

I, H. J. Groener, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgements and proofs of deeds and conveyances of lands, tenements and hereditaments in said COUNTY, DO HEREBY CERTIFY that on the 20th day of September, 1938, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named F. E. Musgrove and E. B. Stofft to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said F. E. Musgrove and E. B. Stofft, being by me severally duly sworn, did on oath, each for himself and not one for the other severally depose and say and acknowledge in the presence of said witnesses that said F. E. Musgrove resides in the City of Chicago, in the State of Illinois, and that said E. B. Stofft resides in the City of Park Ridge, in the State of Illinois; and that F. E. Musgrove is a Vice President and said E. B. Stofft is an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the corporation described in and which executed the within and foregoing instrument in writing; that, they, said F. E. Musgrove, Vice President, and E. B. Stofft, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed

to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed, the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires April 29, 1940.

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

(NOTARY SEAL)

Form 13A

STATE OF ILLINOIS)
SS
COOK COUNTY.)

I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that H. J. Groener

whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 22 day of September 1938.

(SEAL OF COUNTY CLERK) MICHAEL J. FLYNN County Clerk.

STATE OF ILLINOIS)
SS
COUNTY OF COOK)

I, R. W. SPANGENBERG, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on the 20th day of September, 1938, personally appeared before me within said County and in the presence of the two

witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individuals described and named in and the identical persons who subscribed their names to and whose names are subscribed to and who executed the within and foregoing instrument in writing as such Trustees in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett, Walter J. Cummings and George I. Haight, and each of them, duly acknowledged to me in the presence of said witnesses that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed, as such Trustees, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires June 7, 1939.

R. W. Spangenberg

(NOTARY SEAL) Notary Public in and for the State of Illinois, County of Cook.

Form 13A

STATE OF ILLINOIS)
SS
COOK COUNTY) I, MICHAEL J. FLYNN, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that R. W. SPANGENBERG whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

SEAL OF COUNTY CLERK

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 22 day of Sept. 1938.

MICHAEL J. FLYNN, County Clerk

STATE OF WISCONSIN) ss
DEPARTMENT OF STATE)

Received this 24th day of Sept. A.D. 1938 at 8:30 o'clock A.M. and recorded in Vol. 33 of R.R. Mtgs. on pages 469-474 incl.

Robert L. Siebecker

Assistant Secretary of State.

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INDENTURE

dated Oct. 21, 1938

between

WISCONSIN ELECTRIC POWER COMPANY

and

THE MILWAUKEE ELECTRIC RAILWAY & TRANSPORT CO.

****

THIS INDENTURE made this 21st day of October, 1938, between WISCONSIN ELECTRIC POWER COMPANY, a Wisconsin corporation resulting from the merger of The Milwaukee Electric Railway and Light Company and Wisconsin Electric Power Company pursuant to Section 196.80 of the Wisconsin Statutes, party of the first part, and THE MILWAUKEE ELECTRIC RAILWAY & TRANSPORT COMPANY, a Wisconsin corporation, party of the second part.

WITNESSETH: That

WHEREAS, the party of the first part has heretofore owned and operated in the City of Milwaukee, Milwaukee County, State of Wisconsin, and elsewhere in said state, electric street and interurban railway lines, urban trackless trolley lines and urban and interurban motor bus lines for the carriage of passengers, express and other merchandise; and

WHEREAS, the party of the first part with the approval of proper governmental authorities has agreed to transfer the transportation properties and business of the party of the first part, save as hereinafter expressly excepted, to the party of the second part, which has been organized for such purposes, in consideration of the issuance and delivery by the party of the second part to the party of the first part of Ten Million ($10,000,000.00) dollars in aggregate principal amount of the second party's 4% First Mortgage Bonds maturing 1968, secured by first mortgage on the business and properties hereinafter conveyed and all additions thereto and extensions thereof which may be made by the second party, and the issuance and delivery by the second party to the first party of Twenty-five million ($25,000,000.00) dollars in aggregate principal amount of the second party's capital stock upon the second party securing authority from the Public Service Commission of Wisconsin for the issuance and delivery of such bonds and stock for such purpose; and

WHEREAS, the issuance and delivery of such bonds and stock has been duly authorized by said Public Service Commission and they have been duly issued and delivered by the second party to the first party in consideration of this conveyance; and

WHEREAS, the party of the first part hereby duly acknowledges the receipt by it of such bonds and stock;

NOW, THEREFORE, the party of the first part has given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these presents does give, grant, bargain, sell, remise, release, alien, convey and confirm unto the party of the second part, its successors and assigns forever, all of the following described properties, business and assets, that is to say:

FIRST

The entire transportation properties and business of the party of the first part and all rights, licenses, permits, privileges and franchises incident thereto (save as hereinafter expressly excepted) including:

1. The Milwaukee Metropolitan Area Street Railway System

The Electric street railway lines of the first party consisting of approximately

192.6 miles of single track, the trackless trolley lines operating over approximately 14.4 miles of streets and highways, and the motor bus lines operating integrally or as auxiliary to other parts of the first party's transportation system over approximately 109.7 miles of street and highways, all located in the City of Milwaukee, Milwaukee County, Wisconsin, and in suburban zones adjacent thereto, and borne upon the highways of said city and said suburban zones, together with all lines of electric railway and trackless trolley borne for the most part on public highways but using private rights-of-way which are continuous for distances of not more than 4100 feet.

2. Racine City Transportation System.

The motor bus transportation system of the first party operating approximately 44.0 miles of streets and highways in and about the City of Racine, Racine County, Wisconsin, together with one street railway line in said city operating for the most part over tracks pertaining to the Milwaukee-Racine-Kenosha interurban line.

3. Interurban Electric Railway Lines.

The interurban electric railway line approximately 35 miles in length, extending from the City of Milwaukee southerly to the Cities of Racine and Kenosha; the line approximately 29 miles in length extending from the City of Milwaukee northerly to the north limits of the City of Port Washington; the line approximately 19 miles in length extending from the City of Milwaukee westerly to the west limits of the City of Waukesha; and the line approximately 13 miles in length extending from the City of Milwaukee westerly and southerly to the Village of Hales Corners (the south line of Town 6 N, Range 21 E, Milwaukee County, Wisconsin), and operating for a distance of approximately 8 miles over roadway and tracks of the Milwaukee-Waukesha line heretofore described; together with all land now owned by the first party on which is located that part of the Milwaukee-Racine-Kenosha interurban rail line south of 40th Street in the City of Kenosha, Wisconsin, and all rights-of-way pertaining to such part of said line; but excluding all other land on which said interurban rail lines or any of them are located and all rights-of-way pertaining thereto, all of which are to be retained by the first party.

4. Interurban Motor Bus Lines.

The interurban motor bus lines operated over a total of approximately 157.5 miles of streets and highways and consisting of the line extending from the City of Milwaukee westerly to the City of Madison in Dane County, Wisconsin; the line extending from the City of Milwaukee westerly to the City of Oconomowoc, Waukesha County, Wisconsin; and the line extending from the City of Watertown, Jefferson County, Wisconsin, westerly to the City of Madison, Wisconsin.

5. Rights-of-way, Contracts and Arrangements.

All other rights-of-way, easements and appurtenances used in connection with the transportation properties, extensions, sidings and turn-outs of the first party, save those herein expressly excepted, also all leaseholds, contracts and arrangements held by the first party and used solely in connection with the operation and utilization of transportation properties to be transferred to the new transportation company.

6. Car Station Structures and Yards.

All storage, maintenance and repair shops, yards and structures used principally for the operation of the conveyed transportation lines and system, garages used for the storage and repair of motor buses, automobiles and trucks used in connection with such transportation system, passenger stations, terminals, shelters or loops used for

the convenience of passengers or for the turning of rolling stock equipment, express station structures, dock yards and gravel pits used for the purposes of the conveyed transportation system, all of which are located upon the premises hereinafter more particularly described.

7. Railway Tract Structures, Rolling Stock and Miscellaneous Equipment.

All rolling stock, consisting of 625 street railway and interurban railway passenger cars, 74 trackless trolley cars, 234 motor buses, 41 railway express cars, 8 locomotives, 37 snow plows or sweepers, 77 utility and railway repair cars and various items of miscellaneous special equipment, trucks, automobiles, poles, lines, wires, cables and conduits lying beyond substation outlets, railway signal systems, tracks, rails, ties and fixtures on all of the lines of electric railway and trackless trolley heretofore described, and all apparatus, appliances, tools, equipment and devices used in connection therewith.

8. Investments.

8,876 shares of capital stock without par value of Motor Transport Company, a Wisconsin corporation, constituting all of the issued and outstanding stock of said corporation; 800 shares of capital stock, of the par value of $50.00 per share, of Badger Auto Service Company, a Wisconsin corporation, constituting all of the issued and outstanding stock of said corporation; and all accounts receivable due from either of said corporations.

9. Rights, Licenses, Etc.

All rights, licenses, permits, franchises and certificates necessary or convenient for the operation of the transportation properties heretofore described.

10. Books, Records, Accounts, Etc.

All books, records, files, accounts, printed forms and other papers and documents relating solely to the operation of the transportation properties heretofore described and to the income, revenues and expenses thereof.

THERE IS HEREBY EXPRESSLY RESERVED AND EXCEPTED

from this conveyance the following described property:

1. The electric interurban line extending from the Village of Hales corners (the south line of Town 6 North, Range 21 East) Milwaukee County, Wisconsin, to the Village of East Troy, Walworth County, Wisconsin, including all rights-of-way, conductors, supports, track and appurtenances, and miscellaneous passenger station and express station structures located in the Town of Franklin, Milwaukee County, the Towns of Muskego, Vernon and Mukwonago and the Village of Big Bend in Waukesha County, and the Town of East Troy and the Village of East Troy in Walworth County.

2. The electric interurban line extending from the west limits of the City of Waukesha, Waukesha County, Wisconsin, to the City of Watertown, Jefferson County, Wisconsin, including all rights-of-way, conductors, supports, tracks, appurtenances and miscellaneous station and express station structures located in the Towns of Delafield, Pewaukee and Summit in Waukesha County, and the Town of Ixonia and Watertown in Jefferson County;

3. The electric interurban line extending from the north limits of the City of Port Washington, Ozaukee County, Wisconsin, to the City of Sheboygan, Sheboygan County, Wisconsin, including all rights-of-way, conductors, supports, track, appurtenances and miscellaneous passenger station and express station structures located in the Towns of Belgium and Port Washington and Port Washington City in Ozaukee County and in the Town

of Holland and the Villages of Oostburg and Cedar Grove in Sheboygan County.

4. The Lakeside Connecting Line of electric railway extending from the Lakeside Power Plant, in the Town of Lake, to the connection with the Milwaukee-East Troy Rapid Transit Line in the Town of Greenfield, all in the County of Milwaukee, including all rights-of-way, conductors, supports, track, appurtenances and miscellaneous structures;

5. The Industrial Spur Track extending from the Port Washington Power Plant to the connection with the Milwaukee-Port Washington line, all in the City of Port Washington, Ozaukee County, Wisconsin, including all rights-of-way, conductors, supports, tracks and appurtenances;

6. All land on which the interurban rail lines conveyed to the party of the second part and described in paragraph 3 of this First subdivision of the description of the conveyed property are located, except the right of way on which is located that part of the Milwaukee-Racine-Kenosha interurban rail line lying south of 40th Street in the City of Kenosha, Wisconsin;

7. All poles, conduits and other like structures used jointly for the accommodation of attachments or facilities of both the transportation utility, formerly owned by the party of the first part, and its electric utility;

8. All transportation facilities appurtenant to the Public Service Building of the party of the first part located at North Second Street and West Michigan Street, in the City of Milwaukee, Wisconsin, except the rails and ties used for the operation of cars in and through said building.

SECOND.

Net Balance Sheet Assets.

Cash, investments and advances, choses in action, notes and accounts receivable, prepaid insurance, taxes and other like items and transporation properties as shown in the pro forma balance sheet of the party of the second part as of June 30, 1938 (which balance sheet is hereinafter set forth) including the transportation business and good will of the party of the first part as a going concern, subject to the liabilities and obligations shown upon said pro forma balance sheet, which liabilities and obligations, together with certain other liabilities and obligations hereinafter expressly set forth are assumed by the party of the second part. The amount of cash hereby transferred and assigned as shown in such pro forma balance sheet, namely, the sum of $250,00.00, represents the gross sum of $275,000.00 after the deduction of $25,000.00 advanced by the party of the first part for the purpose of defraying the organization expenses of the party of the second part, which advance has been given due consideration in setting up such pro forma balance sheet.

The pro forma balance sheet of the party of the second part as of June 30, 1938, which constitutes the basis of this conveyance is as follows:

ASSETS

Property and Plant		$50,345,771.65
Investments and Advances:		
Stock of Subsidiaries	$ 420,000.00	
Advances to Subsidiary - Not Current	20,000.00	
Other Investments	2.00	
Total Investments and Advances	$ 440,002.00	
Current and Working Assets:		
Cash on Hand and in Banks	$ 250,000.00	

Special Deposits	$ 11,554.88	
Accounts and Notes Receivable - Trade	56,470.17	
Other Accounts and Notes Receivable	4,646.63	
Accounts Receivable from Subsidiaries - Current Account	7,384.67	
Materials and Supplies:		
Materials and Supplies for Construction and Maintenance	611,520.28	
	$ 941,576.63	
Deferred Charges:		
Prepaid Insurance and Taxes	$ 125,000.00	
Organization Expenses	25,000.00	
Advance Contribution to State Unemployment Insurance Fund	40,782.82	
Total Deferred Charges	$ 190,782.82	
		$51,918,133.10

LIABILITIES

Capital Stock		$25,000,000.00
Funded Debt:		
First Mortgage Bonds, 4% Series		$10,000,000.00
Current and Accrued Liabilities:		
Accounts Payable	$ 114,804.78	
Taxes Accrued	227,683.05	
Amount Payable to Employes under Gain Sharing Plans	95,321.32	
Other Current and Accrued Liabilities	157,840.16	
	$ 595,649.31	
Reserves:		
For Depreciation and Retirement of Property and Plant	$ 8,637,925.78	
For Contingent Losses on Property Account	6,493,188.81	
For Casualties and Insurance	1,150,995.92	
Other Reserves	40,373.28	
Total Reserves	$16,322,483.79	
		$51,918,133.10

The parties expressly recognize and agree that from the date as of which said pro forma balance sheet has been prepared, namely June 30, 1938, to the date of the execution and delivery of this conveyance changes have necessarily occurred in the amount of the assets and in the amount of the liabilities shown upon such pro forma balance sheet. It is expressly agreed by the parties hereto that within thirty (30) days after the date of the execution and delivery of this conveyance such interim changes shall be ascertained and an adjustment shall be made by the payment of cash from one of the parties to the other so that the amount of cash shown in said pro forma balance sheet, namely, $250,000.00, shall be decreased by an amount equal to the increase or increased by an amount equal to the decrease, as the case may be, in the excess of the aggregate of the assets over the aggregate of liabilities and reserves (other than capital stock and funded debt) as shown by the balance sheet of the party of the second part prepared as of the date of the execution and delivery of this conveyance, as compared with the corresponding excess as shown by said pro forma balance sheet as of June 30, 1938. It is mutually agreed that said balance sheet as of the date of the execution and delivery of this conveyance shall be prepared according to the same practice of accounting as the pro forma balance sheet of June 30, 1938, and the accounts relating to the operation, construction and maintenance of the conveyed property for the period after June 30, 1938, and up to the date of the execution and delivery of this conveyance shall be prepared according to good accounting practice.

THIRD

The transportation properties and business hereby conveyed include the following described pieces or parcels of land and all structures thereon and appurtenances thereto situate in the State of Wisconsin and in the respective counties hereinafter named pre-

ceding the description of the land situate therein, that is to say:

MILWAUKEE COUNTY

1. Rights-of Way Land

(a) All that part of the SE¼ of Section 23, Township 5 north, Range 22 east, described as a strip of land 66 feet in width extending in a northwesterly and southeasterly direction across the following described parcel of land: Commencing at a point where a line drawn 387.58 feet north of and parallel to the south line of said SE ¼ of Section 23 aforesaid, intersects the center line of the Chicago Road; thence north 20° 7' West along the center line of the Chicago Road 138.44 feet to a point; thence west on a line which is 517.58 feet north of and parallel to the south line of said SE ¼ of Section 23 aforesaid, 311.17 feet to a point; thence south at right angles 130 feet to a point; thence east on a line which is 387.58 feet north of and parallel to the south line of said SE ¼ of Section 23 aforesaid 358.89 feet to the place of beginning, containing 1 acre of land; said strip of land being 33 feet in width on each side of the following described center line of location; commencing at a point on the north line of the S ½ of said Section 23, which point is 172.5 feet east of a stone monument at the northwest corner of said S ½ of Section 23, running thence southeasterly in a straight line to a point in the south line of said Section 23, which point is 1360.10 feet east of the southwest corner of said SE ¼ of Section 23.

Also all that part of said last above described parcel of land lying southwest of said 66 foot strip of land.

(b) Railway easement over all that part of the SE ¼ of Section 23, Township 5 North, Range 22 east, described as follows, to wit: Commencing at a point in the center line of that certain highway known as Chicago Road, said point being further described as being 517.58 feet north of the south line of said Section 23, running thence southeast on said center line of said highway 17 feet to a point; thence northwest in a straight line 37.5 feet to a point which is 517.58 feet north of the south line of said Section 23 and 28.5 feet west of the center line of said highway, thence east 28.5 feet to the place of beginning.

(c) All that part of the SE ¼ of Section 23, Township 5 north, Range 22 east, described as a strip of land 66 feet in width extending in a northwesterly and southeasterly direction across the south 10 acres of all part of said SE ¼ of Section 23 lying west of the highway known as the Chicago Road. Said strip of land being 33 feet in width on each side of the following described center line of location; Commencing at a point on the north line of the S ½ of said Section 23, which point is 172.5 feet east of a stone monument at the northwest corner of said S ½ of Section 23; running thence southeasterly in a straight line to a point in the south line of said Section 23, which point is 1360.10 feet east of the southwest corner of said SE ¼ of Section 23, as now located and staked.

Also the following described parcel of land, being all that part of said South 10 acres of that part of said SE ¼ of Section 23 lying west of the highway known as Chicago Road which lies northeast of said above described 66 foot strip of land.

(d) All that part of the railway private right-Of-way used for the so-called Carrollville Extension from Carrollville Junction in a northerly direction to the E. I. du Pont de Nemours & Company's plant, said parcel described as follows:

All that part of the NW ¼ of Section 25, Township 5 north, Range 22 east, described

as follows: Commencing at a point on the north line of said Section 25 which point is 223.4 feet east of the northwest corner of said Section 25; running thence east on said north section line 155.2 feet to a point; thence south and parallel to the west line of said Section 25, 390 feet to a point; thence southeasterly on a straight line to a point on the east line of the transmission line and railway right-of-way of the party of the first part which point is 1512.2 feet south of the north line of said Section 25, and 237 feet east of the east line of the railway right-of-way of the Chicago & Northwestern Railway Company; thence northwesterly on said east right-of-way line of the party of the first part to a point which point is 390 feet south of the north line of said Section 25 and 223.4 feet east of the west line of said Section 25, and thence north and parallel to said west section line 390 feet to the place of beginning, containing 3.3886 acres.

All that part of the SW ¼ of Section 24, Township 5 north, Range 22 east, described as follows, to wit: Commencing at a point on the south line of said Section 24 which point is 299.28 feet north 88° 52' 30" east of the southwest corner of said Section 24; running thence north 1073.9 feet to a point; thence northwesterly on a curve, the center of which lies to the west, the radius of which is 960 feet and the long chord of which is 545.31 feet and bears north 16° 30' west 552.92 feet to a point; thence north 33° 0' west 265 feet to a point on the west line of said Section 24; thence north on said west line 243.44 feet to a point, which point is 580.5 feet south of the northwest corner of said SW ¼ of Section 24; thence south 43° 21' 30" east 36.04 feet to a point; thence southeasterly on a curve the center of which lies to the east, the radius of which is 366.15 feet and the long chord of which is 207.98 feet and bears south 16° 30' east 210.89 feet to a point; thence south 33° 0' east 23.28 feet to a point; thence southeasterly on a curve the center of which lies to the west the radius of which is 1040 feet and the long chord of which is 590.75 feet and bears south 16° 30' east 599 feet to a point; thence south 1072.34 feet to a point on the south line of said Section 24; thence south 88° 52' 30" west on said south section line 80.01 feet to the place of beginning; containing 3.726 acres more or less.

(e) In the City of Milwaukee all that part of the north 80 feet of Lots 1, 2 and 3, Block 4, Peoples Building and Loan Association Subdivision No. 7, a subdivision in the W ½ of the SE ¼ of Section6, Township 7 north, Range 22 east, described as follows, to-wit: Commencing at the northeast corner of said Lot 1; running thence south on the east line of said Lot 1, 75 feet to a point; thence northwest in a straight line to a point in the north line of said Lot 3, which point is 65 feet west of said northeast corner of said Lot 1; thence east on the north line of said Lots 3,2 and 1, 65 feet to the place of beginning.

(f) the rights of the party of the first part in West Burnham Street from the east limits of the City of West Allis to West Becher Street and thence to West National Avenue.

(g) The rights of the party of the first part in West Burnham Street in the City of Milwaukee from South 31st Street to the old Beloit Road; also the rights of the party of the first part in West National Avenue in the Town of Greenfield to the north and south quarter line of Section 8 in said Town of Greenfield, thence southerly along said quarter section line through Sections8, 17, and 20, and southwesterly through Section 29 to the west line of said section in said Town of Greenfield, thence south along said west line of Sections 29 and 32 to and across the North Cape Road, thence southwesterly east of North Cape Road through the SE ¼ of Section 31 in said Town of Greenfield and the NE ¼

of Section 6 in the Town of Franklin.

(h) All lands located in the City of Milwaukee and in the SW ¼ of Section 25, Township 7 north, Range 21 east, described as follows, to-wit:

The north 35 feet of Lot 4, Block 1, continuation of Park Subdivision located on the west side of North 35th Street between West Mt. Vernon Avenue and West St. Paul Avenue.

All that part of the SW ¼ Section 25, Township 7 north, Range 21 east, described as follows: Commencing at a point in the east line of said SW ¼ Section 25, which point is 1554.30 feet south of the northeast corner of said ¼ Section, running thence west 33 feet to the northeast corner of Lot 4, Block 1, Continuation of Park Hill Subdivision being a part of said ¼ Section; thence west along the north line of said Lot 4, 150 feet to a point; thence north 47.15 feet to a point; thence east 183 feet to the east line of said ¼ Section; thence south 47.15 feet to the place of beginning located on the west side of North 35th Street between West Mt. Vernon Avenue and West St. Paul Avenue.

Lot 16, Block 1, Park Hill Subdivision, located on the east side of North 36th Street north of West Mt. Vernon Avenue.

The north 16½ feet of Lot 15, Block 1, Park Hill Subdivision located on the east side of North 36th Street just north of West Mt. Vernon Avenue.

Lots 1 and 2, Block 4, Park Hill Subdivision, located on the west side of North 36th Street just north of West Mt. Vernon Avenue.

The north 13½ feet of Lot 14 and all of Lots 15 and 16, Block 4, Park Hill Subdivision, located on the east side of North 37th Street just north of West Mt. Vernon Avenue.

Lot 1, Block 5, and the north 1½ feet of Lot 2, Block 5, Park Hill Subdivision located on the west side of North 37th Street north of West Mt. Vernon Avenue.

The South 27 feet of Lot 2 and all that part of Lot 3, Block 5, Park Hill Subdivision described as follows: Commencing at the northeast corner of said Lot 3 running thence southwesterly on a straight line to a point on the west line of said Lot 3 which point is 24 feet north of the southwest corner of said lot thence north on said west line 4.5 feet to the northwest corner of said lot; thence east 120 feet to the place of beginning located on the west side of North 37th Street just north of West Mt. Vernon Avenue.

The rights of the first party in that certain east and west alley lying north of West Mt. Vernon Avenue and east of North 38th Street, and being more fully described as follows: The North 10 feet of Lot 12 and the South 5 feet of Lot 13, Block 5, Second Continuation of Park Hill.

The North 30 feet of Lot 15 and all of Lot 16, Block 5; all of Lots 4, 5, 6 and 7, and north 20 feet of Lot 18 and all of Lots 19 and 20, Block 17, all that part of Lots 6, 7, 8, 9 and 10, Block 18, lying between two parallel lines as follows: the first line on the northwest, commencing at a point on the west line of Lot 8, 15 feet south of the northwest corner of Lot 8, running thence northeasterly to the northeast corner of Lot 6, the second line on the southeast commencing at the southwest corner of Lot 11, running thence northeasterly to the northeast corner of Lot 10, all in 2nd Continuation of Park Hill Subdivision.

All that part of Lot 11, Block 18, 2nd Continuation of Park Hill Subdivision lying north of a line drawn from the southwest corner of Lot 11 to the northeast corner of Lot 10, located on the west side of North 38th Street north of West Mt. Vernon Ave.

Lots 9, 10, 11, 12, 14, 15 and 16, Block 10, Lots 1, 2, 3, 4, 5, 6, 16, 24 and 25, Block 16 and Lots 7, 8, 9, 10, 11, 12, 13 and 14, Block 15 all in Paine and Stacy's Subdivision, located on North 39th Street and North 40th Street north of West Park Hill Avenue.

Lot 13, Block 10 Paine & Stacy's Subdivision, located on the east side of North 39th Street, north of West Park Hill Avenue.

All of Lot 18, Block 16 Paine & Stacy's Subdivision, except the west 81 feet thereof, located on the east side of North 41st Street north of West Park Hill Avenue.

All that part of Lot 17, Block 16 Paine & Stacy's Subdivision, described as follows: Commencing at the southeast corner of said Lot 17; running thence west on the south line of said lot, 80 feet to a point; thence northeast to a point in the north line of said lot, which point is 50 feet west of the northeast corner of said lot; thence east on the north line of said lot 50 feet to said northeast corner; thence south on the east line to the place of beginning located on the alley west of North 40th Street and north of West Park Hill Avenue.

(i) In the City of Milwaukee, all that land used for grade separation, lying along the east boundary of the transmission line and railway right-of-way of the party of the first part, described as follows, to-wit:

Commencing at the point where the east line of said right of way intersects the north line of West Olive Street, said east right-of-way line being 101.6 feet east of the west line of the SE ¼ of Section 6, Township 7 north, Range 22 east, and extending northerly along the east line of the said right-of-way to a point approximately 56 feet south of the intersection of the said east line of the right-of-way with the south line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company's right-of-way in the NE ¼ of Section 6, Township 7 north, Range 22 east.

(j) In the City and Town of Milwaukee all that land used for grade separation purposes lying along the west line of the transmission line and railway right-of-way of the party of the first part described as follows, to-wit:

Commencing at the point on the west line of said right-of-way approximately 537.78 feet north of the center line of West Stark Street and extending northerly along the said west line of the right-of-way to a point on said west line of the right-of-way approximately 170.35 feet north of the point where the south line of the N ½ of Lot 8, Charlotte A. Quentin's Subdivision intersects the said west line of said right-of-way.

(k) In the Town of Milwaukee all that land used for grade separation purposes lying along the west line of the transmission line and railway right-of-way of the party of the first part, described as follows, to-wit

Commencing at a point on the said west line of said right-of-way approximately 492.84 feet south of the center line of West Silver Spring Drive and extending northerly along the said west line of the right-of-way to a point where the south line of Lot 14, Block 7, Crestwood Subdivision intersects the said west line of the right-of-way, all in the SW ¼ of Section 30, Township 8 north, Range 22 east.

(l) That part of the SW ¼ of Section 26, Township 6 north, Range 22 east described as follows, to-wit:

Commencing at a point on the east line of said quarter section 226.7 feet north of the southeast corner of said quarter section; running thence west 389.5 feet to the east line of the railway right-of-way of the Chicago & Northwestern Railway Company; thence southwesterly on said east right-of-way line 135.5 feet; thence east 172 feet; thence north 102 feet; thence east 230 feet to said east line of said quarter section; and thence

north on said quarter section line 33 feet to the place of beginning.

(m) The west 60 feet of Lots 1 and 4, Block 1, Pierce's Addition in the SE ¼ of Section 8, Township 7 North, Range 22 east.

(n) The rights of the party of the first part in South Delaware Avenue between East Nock and East Estes Streets.

(o) A triangular parcel of land in the SE ¼ of Section 7, Township 7 north, Range 22 east bounded on the west by North 20th Street, on the northeast by West Hopkins Street and on the south by West Burleigh Street.

(p) All that part of the NW ¼ of Section 25, Township 7 north, Range 21 east described as follows, to-wit:

Commencing at a point in the west line of North 37th Street, which point is 726 feet north of the south line and 558.5 feet west of the east line of said quarter section; running thence west and parallel to the north line of West Wells Street extended, 133 feet to a point; thence south and parallel to said west street line 40 feet to a point; thence west and parallel to said north extended street line 75 feet to a point; thence south and parallel to said west street line 63 feet to a point in the north line of West Wells Street extended; thence west on said north extended street line 166.74 feet to a point; thence north and parallel to said west street line 197 feet to a point; thence east and parallel to said north extended street line 374.74 feet to a point in said west street line; thence south on said west street line 94 feet to the place of beginning.

(q) Lots 8 and 9, in Block 4, Hopkins Park, in the NE ¼ of Section 1, Township 6 north, Range 21 east.

(r) The rights of the party of the first part in North 27th Street from West Hopkins Street to West Atkinson Avenue, and on West Cameron Street, in the City of Milwaukee.

(s) The rights of the party of the first part reserved in West Wells Street in deeds recorded in Volume 476 of Deeds on page 357, and Volume 924 of Deeds on Page 379, said Milwaukee County Registry; also the private right-of-way on the Wells-Wauwatosa Line extending from North 68th Street to the Harwood Avenue Transfer Station.

(t) The rights of the party of the first part in the private right-of-way extending from North Oakland Avenue to East Hampton Avenue and lying between East and West Bartlett Drive.

(u) The rights of the party of the first part in Lot 1, Block 105, Addition No. 8 to the Townsite of South Milwaukee.

2. Passenger Station and Waiting Room Land

(a) North Twenty-Seventh and West Hopkins Street Transfer Station Site

Lots 3 and 4 and that part of Lot 10, Block 4, People's Building & Loan Association Subdivision No. 3 lying northwesterly of the southeasterly line of said Lot 4 extended southwesterly to North 27th Street, in the W ½ of Section 7, Township 7 north, Range 22 east.

(b) North Murray Avenue Transfer Station Site

The west 120 feet of Lot 5, Block 209, Murray's Addition, in the SW ¼ of Section 15, Township 7 north, Range 22 east, and the leasehold rights of the party of the first part in all except the west 120 feet of said Lot 5 and in a triangular parcel of land in the northeast corner of Lot 6, said Block 209, measuring 16 feet on the north lot line and 9½ feet on North Farwell Avenue.

(c) North Sixtieth and West Lloyd Street Transfer Station Site

That part of Lot 5, Block 8, Pabst Park No. 1 in the NE ¼ of Section 22, Township 7 north, Range 21 east, described as follows: Commencing at the southeast corner of said Lot 5; thence north on the east line of said Lot 5, 40 feet to a point; thence west and parallel to the north line of said lot, 120 feet to the west line of said lot; thence south on said west line 78.04 feet to the southwest corner of said lot; and thence northeasterly on the south line of said lot 125.80 feet to the place of beginning.

(d) North Sixtieth and West North Avenue Transfer Station Site

The north 90 feet of Lot 1, Block 1, Pabst Park No. 1, in the NE ¼ of Section 22, Township 7 north, Range 21 east.

(e) Harwood Avenue Transfer Station Site

Lots 6 and 7 in Assessors Plat No. 18 in the SE ¼ of Section 21, Township 7 north, Range 21 east, in the City of Wauwatosa, and that part of said SE ¼ of Section 21 bounded as follows: On the southeast by the Southeasterly line of said Lot 7 extended northeasterly to the railway right-of-way; on the northeast by said right-of-way; on the northwest by Harwood Avenue; and on the southwest by said Lots 6 and 7.

(f) Saint Martins Shelter Site

That part of the SW ¼ of Section 7, Township 5 north, Range 21 east, described as follows, to-wit: Commencing at a point on the east line of said quarter section, 100 feet north of the southeast corner of said quarter section; running thence north on said east section line 45 feet to a point; thence west and parallel to the south line of said Section 7, 35 feet to a point; thence southwesterly on a straight line to a point 100 feet north of said south section line and 75 feet west of said east section line; thence west to the place of beginning.

(g) Grange Avenue Transfer Station Site

All that part of the SW ¼ of Section 26, Township 6 north, Range 22 east, described as follows, to-wit: Commencing at the southeast corner of said SW ¼ section; running thence north on the east line of said quarter section 193.7 feet to a point; thence west on said south line 230 feet to a point; thence south 102 feet to a point; thence west 172 feet to a point in the east line of the railway right-of-way of the Chicago & Northwestern Railway Company; thence southwesterly on said east railway right-of-way line to the south line of said Section 26; thence east on said south section line 411.84 feet to the place of beginning.

3. Express Station Land

(a) Twelfth Street Yard

Lots 20 and 21 in Block 249, James Kneeland's Subdivision in the SW ¼ of Section 29, Township 7 north, Range 22 east, and that part of Lots 4, 5, 7, W ½ of 8, 9, 10, 11, and 12, said Block 249, outside of the transmission line and railway right-of-way of the party of the first part, together with the rights obtained in condemnation action No. 111717 in the Circuit Court of said Milwaukee County in the south 20.5 feet of the north 85.5 feet of Lot 6 and the south 40 feet of the E ½ of Lot 8 in said Block 249.

4. Miscellaneous Way Land

(a) All that part of the S ½ of the SW ¼ of Section 35, Township 6 north, Range 22 east, described as follows, to-wit: Commencing at the intersection of the south line of said Section 35 and the center line of the Chicago Road, said point of intersection being 213 feet west of the southeast corner of said SW ¼ of Section 35 running thence west on said south section line 330 feet; thence north 132 feet; thence east 330 feet to the center line of said Chicago Road, thence south 132 feet to the place of beginning, containing one acre of land more or less.

5. Car House and Car Storage Yard Land

(a) Fond du Lac Avenue Car Station and Garage Site

That part of the NE ¼ of Section 13, Township 7 north, Range 21 east, and Lot 3 of Subdivision of 18.855 acres, bounded as follows: On the west by North 35th Street; on the northeast by West Fund du Lac Avenue; on the east by North 32nd Street; and on the South by West Locust Street.

(b) Kinnickinnic Avenue Car Station Site

Lot lettered "B" in Subdivision of lots lettered "B" and "L", Horace Chase's Subdivision in the NE ¼ of Section 5, Township 6 north, Range 22 east, except a strip of land off the south end measuring 3 inches wide at the east end and 9 inches wide at the west end.

(c) National Avenue Car Station Site

That part of the SE ¼ of Section 36, Township 7 north, Range 21 east, bounded as follows, to-wit: On the north by West Pierce Street; on the east by South 27th Street; on the south by West National Avenue; and on the west by Block 1 of Valley View Land Company's Subdivision No. 1.

(d) Fiebrantz Avenue Car Station Site

That part of the SE ¼ of Section 6, Township 7 north, Range 22 east, bounded as follows, to-wit: On the south by West Fiebrantz Avenue; on the west by the transmission line and railway right-of-way of the party of the first part; on the north by Block 2 of The Savings and Investment Association of Milwaukee Subdivision No. 21; and on the east by said Block 2 and North 19th Street.

(e) West Allis Car Station

That part of the NE ¼ of Section 4, Township 6 north, Range 21 east, bounded as follows, to-wit: On the north by a line drawn 133 feet south of and parallel to the north line of said Section 4; on the east by the railway-right-of-way of Chicago & North-Western Railway Company; on the south by West Lapham Street, and on the west by South 84th Street.

(f) Oakland Avenue Car Station Site

All that part of Government Lot 2 in the NE ¼ of Section 9, Township 7 north, Range 22 east, described as follows, to-wit: Commencing at the southeast corner of said Lot 2; running thence westerly on the south line of said lot to the east line of the railway right-of-way of the Chicago & Northwestern Railway Company; thence northwest on said east line of the Chicago & Northwestern Railway Company right-of-way to the southeast line of Morris Boulevard; thence northeasterly on said southeast line of Morris Boulevard to the southwest corner of Lot 22, Block 1, Ravinia Park Subdivision, being a subdivision in said NE ¼ of said Section 9; thence north 89° 08' east on the south line of said Block 1 of Ravinia Park Subdivision 498.74 feet to a point; thence south on the west line of said Block 1, 365 feet to a point; thence north 89° 08' east on the south line of said Block 1, 160 feet to a point in the east line of said Section 9; thence south on said section line 217.43 feet to a point; thence west 117.8 feet to a point; thence north 14.4 feet to a point; thence west 19.6 feet to a point; thence north 39.8 feet to a point; thence west 76 feet to a point; thence south 104.7 feet to a point; thence east 213.4 feet to a point in the east line of said Section 9; thence south on said east section line 36.14 feet to the place of beginning; subject to first party's right to use the wall on the south boundary of the conveyed premises as a party wall with like party wall rights in second party.

6. Stores Department Land

(a) Lower Cold Spring Yard

That part of the NW ¼ of Section 25 and the NE ¼ of Section 26, Township 7 north, Range 21 east, described as follows, to-wit:

Commencing at the intersection of the center line of West State Street and the east line of said Section 26; thence north 79° 15' west on said center line, 117.05 feet to a point, which point is 115 feet west of said section line; ~~thence north and parallel 115 feet west of said section line;~~ thence north and parallel 115 feet distant from said section line, 749.93 feet to a point; thence north 54° 22' east, 141.49 feet to a point on said section line; thence north on said section line to a point on the south line of Block 3, Menominee Subdivision in said NW ¼ of Section 25; thence north 88° 26' 15" east on the south line of said Block 3, 274.72 feet; thence north 54° 24' 55" east on the southeasterly line of said Block 3 and the extension thereof 145.47 feet; thence north 0° 05' east parallel to the east line of said Block 3, 92.36 feet to the south line of West Martin Drive; thence north 89° 55' east on said south line and the extension thereof to a point on the center line of West Highland Boulevard; thence southeasterly on said center line to the northwesterly line of the railway right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Railroad Company; thence southwesterly on said right-of-way line to the intersection with said Center line of West State Street; and thence west on said center line to the place of beginning.

7. General Shop Land

(a) Cold Spring Shops

That part of the SW ¼ of Section 24, and the NW ¼ of Section 25, Township 7 north, Range 21 east, described as follows, to-wit: Commencing at the southeast corner of Lot 14, Block 2, Winckler's West Park Addition; thence north on the east line of said Lot 14 to the southwest corner of Lot 17, Adelin Subdivision; thence east on the south line of said Lot 17, 157.55 feet to North 40th Street; thence south on the west line of North 40th Street to the south line of West McKinley Avenue; thence east on said south ~~south~~ street line to the northwest corner of the south one-half of Lot 20, Block 2, Becker's Subdivision; thence south on the west line of said Block 2 to a point on the northwesterly right-of-way line of the Chicago, Milwaukee, St. Paul & Pacific Railroad Company; thence southwesterly on said right-of-way line to the center line of West Highland Boulevard; thence northwesterly and north on said center line to its intersection with the south line of said Lot 14 extended west; and thence east on said south lot line and said extension to the place of beginning.

8. Garage Land

(a) Thirty-Fifth Street Garage

Lots 12, 13, 14, 15, 16, 17, 18, 19, and 20, Block 2, Lyman's Subdivision in the NW ¼ of Section 25, Township 7 north, Range 21 east.

(b) East and West Kinnickinnic Garages

Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9, in Block 132, except the east 23 feet, and that part lying east of South Kinnickinnic Avenue of Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9, in Block 133 of Judge A. D. Smith's Subdivision in the NE ¼ of Section 5, Township 6 north, Range 22 east; Also a strip of land off the south end of Lot lettered "B" in Subdivision of Lots lettered "B" and "L", Horace Chase's Subdivision in said NE ¼ of Section 5; measuring 3 inches wide at the east end and 9 inches wide at the west end;

Also that part of Lots 1, 2, 3, and 4 in Block 133 of said Judge A. D. Smith's

Subdivision in said NE ¼ of Section 5, lying west of South Kinnickinnic Avenue, and all of Lots 14, 15, 16, 17, and 18 in said Block 133.

9. Miscellaneous Land

(a) Rapid Transit Freight Terminal

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14, in Block 250, James Kneeland's Subdivision in the SW ¼ of Section 29, Township 7 north, Range 22 east;

Also Lots 9, 10, 11, 12, 13, 14, 15, and 16, in Block 132 Partition of the east one-half of said SW ¼ of Section 29, together with the vacated north and south alley adjacent to said Lots 9, 10, 13, and 14.

(b) Atkinson Avenue Substation and Waiting Room

That part of the NW ¼ and the SW ¼ of Section 8, Township 7 north, Range 22 east, described as follows, to-wit:

Commencing at a point which is 342.92 feet west of and 66.80 feet south 24° 11' east of the center of said Section 8, said point being the intersection of the northeasterly line of West Atkinson Avenue and the southwesterly line of North Green Bay Avenue; running thence north 60° 09' west along said northeasterly line of West Atkinson Avenue 226.26 feet; thence north 3.97 feet to a point; thence east 145.35 feet to a point on the southwesterly line of North Green Bay Avenue; thence southeasterly along said southwesterly line of North Green Bay Avenue 127.54 feet to the place of beginning.

(c) North Water Street Yard

Lots 16, 17, and 18, in Block 144, in the partition of the SE ¼ of Section 20, Township 7 north, Range 22 east.

(d) Lots 22, 23, and 24, Block 2, of Woodlawn Avenue Subdivision in the NE ¼ of Section 5, Township 6 north, Range 21 east, lying north of the transmission line and railway right-of-way of the party of the first part.

(e) Lots 23, 24, 25, 26, 27, 28, 29, and 30, Block 7, Euclid Park, in the NW ¼ of Section 34, Township 7 north, Range 21 east.

(f) Lots 5, 6, 7, and 25, Block 5, and Lots 11, 19, 20, and 21, Block 6, Euclid Park, a subdivision in the SW ¼ of Section 27 and the NW ¼ of Section 34, Township 7 north, Range 21 east, outside the transmission line and railway right-of-way of the party of the first part.

(g) That part of the SW ¼ of Section 27, Township 7 north, Range 21 east described as follows, towit: Commencing at the southeast corner of said SW ¼, running thence west on the section line 187.44 feet to the southeast corner of Lot 5, Block 5, Euclid Park; thence north on the east line of said Lot 5, 40 feet to a point; thence east and parallel to said south section line 187.44 feet to a point on the east line of said SW ¼; thence south on said quarter section line 40 feet to the blace of beginning, SUBJECT to North 68th Street.

RACINE COUNTY

1. Rights-of-Way Land

(a) The rights of the party of the first part under deeds recorded in Volume 119 of Deeds, Page 612, and Volume 126 of Deeds, Page 178, said Racine County Registry.

2. Passenger Station and Waiting Room Land

(a) Racine Station

Lots 3 and 6, Block 3, in Section 16, Township 3 north, Range 23 east, in the City of Racine, as returned by the appraisers of School and University lands, and that part

of Lot 5, said Block 3, described as follows:

Commencing on the east line of said Lot 5, 12.2 feet south of the northeast corner of said Lot 5; thence south on said east line 37.8 feet; thence west and parallel to the north line of said Lot 5, 120 feet to the west line of said Lot 5; thence north on said west line 40 feet; thence southeast in a straight line 36.5 feet to a point; which point is 17 feet south of said north lot line, measured at right angles thereto; thence east and parallel to said north line 70.5 feet; and thence northeast to the place of beginning.

3. Car House and Storage Land

(a) Douglas Avenue Car Station

That part of the NE ¼ of Section 5, Township 3 north, Range 23 east, described as follows, to-wit: Commencing at the point where the easterly line of the Chicago & Northwestern railway Company right-of-way from the north intersects the south line of said quarter section; running thence northwest on said east right-of-way line to the center line of Layard Avenue; thence east on said center line of Layard Avenue 290 feet to a point; thence south to a point which is 261 feet north of said south quarter section line; thence east to the center line of Douglas Avenue; thence southeast on said center line of Douglas Avenue to the south line of said quarter section; thence west on said quarter section line to the place of beginning.

KENOSHA COUNTY

1. Rights-of-Way Land

(a) All that part of the railway private right-of-way in the City of Kenosha, beginning at the south line of 40th street, extended, the east boundary of said beginning line being a point, approximately 63 feet west of the west line of 11th Avenue and the west boundary of said beginning line, being in the east line of the Chicago & Northwestern Railway Company right-of-way; thence extending in a southerly direction along the east boundary line of said Chicago & Northwestern Railway Company right-of-way to 45th Street, thence in a southeasterly direction to the Kenosha Terminal site located on the northwest corner at the junction of 8th Avenue and 55th Street.

2. Passenger Station and Waiting Room Land

(a) Kenosha Station

That part of Blocks 8 and 17, Village of Southport, now City of Kenosha, in the SE ¼ of Section 31, Township 2 north, Range 23 east, described as follows, to-wit:

Commencing at a point on the north line of 55th Street, 80 feet east of the east line of Sheridan Road; thence north and parallel to said east line 200.51 feet; thence north 47° 00' 50" east, 60.98 feet; thence north 15° 04' east, 79.65 feet; thence north 34° 43' west, 205.03 feet; thence north 9° 13' west to the south line of 53rd Street, vacated; thence east on said south line to the west line of the railway right-of-way of Simmon's Spur Track; thence southeasterly on a curve on said west spur track right-of-way line to the east line of said Block 8; thence south 13° 09' 30" east, 343.75 feet to the north line of said 55th Street, and thence south 80° 25' 30" west on said north line 157.30 feet to the place of beginning.

OZAUKEE COUNTY

1. Rights-of-Way Land

(a) In the Township of Port Washington, all that part of the south 20 acres of the north 50 acres of the SE ¼ of Section 21, Township 11 north, Range 22 east, described as follows:

Commencing at the intersection of the south line of said south 20 acres and the east

line of the transmission line and railway right-of-way of the party of the first part; thence east 147.73 feet to a point; running thence north on said east line of said right-of-way 316.35 feet to a point; thence south 310.50 feet to a point on said south line of said south 20 acres, which point is 100 feet east of said point of commencement; and thence west on said south line of said south 20 acres 100 feet to the place of beginning; containing 0.9 acres more or less.

2. Passenger Station and Waiting Room Land

(a) Grafton Waiting Station

Lots 3 and 4, Block 11 in Giffords Addition to the Village of Grafton.

3. Car Houses and Storage Land

(a) Cedarburg Car Barns and Yard

That part of Lots 34, 35, 38, and 39 of H. L. Coe's Survey of the City of Cedarburg, in the SE ¼ of Section 27, Township 10 north, Range 21 east, described as follows, to-wit:

Commencing at the northeast corner of said Lot 39; thence southeasterly to the southeast corner of said lot; thence southwesterly on the south line of said Lot 39, 225 feet; thence southwesterly to a point on the south line of said Lot 38, 362 feet southwesterly from the southeast corner of said Lot 38 measured on said south lot line; thence southwesterly to a point on the south line of said Lot 35, 500 feet southwesterly from the southeast corner of said Lot 35 measured on said south lot line; thence southeasterly to point on the south line of said Lot 34, 503 feet southwesterly from the southeast corner of said Lot 34, measured on said south lot line; thence southwesterly on said south lot line 144 feet; thence northwesterly to a point on the south line of said Lot 35, 480 feet northeasterly from the southwest corner of said Lot 35; thence southwesterly on said south lot line 199.78 feet; thence north 25 feet, thence west 50 feet; thence north 50 feet; thence west 20 feet; thence north 40 feet; thence west 200 feet to Third Avenue North; thence north 179.5 feet to the northwest corner of said Lot 39, and thence northeast on the north line of said Lot 39, 1033.4 feet to the place of beginning, which lies outside the transmission line and railway right-of-way of the party of the first part.

4. Miscellaneous Land

(a) Cedarburg Waiting Station

Lot 8, Boerners Plat, in the SE ¼ of Section 27, Township 10 north, Range 21 east;

Also that part of Lot 32, H. L. Coe's Survey of the City of Cedarburg, in said SE ¼ of Section 27, described as follows, to-wit:

Commencing at the northeast corner of said Lot 8; thence west on the north line of said Lot 8 to the east line of the transmission line and railway right-of-way of the party of the first part; thence northwesterly on said east right-of-way line to the north line of said Lot 32; thence northeasterly on said north line 176 feet; and thence southeasterly to the place of beginning.

(b) Mequon-Quarry

That part of the SW ¼ of the NE ¼ of Section 10, Township 10 north, Range 21 east, lying west of the transmission line and railway right-of-way of the party of the first part. Also that part of the S½ of said Section 10, described as follows, to-wit:

Commencing at the intersection of the north line of said S ½ of said Section 10, and the west line of the railway right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence south on said west right-of-way line to a point 1100 feet south of said north line; thence west 256.6 feet; thence south 609 feet; thence north 61° 55' west 569.7 feet; thence north 43° 25' west 166 feet; thence north 0° 17' west 158.87 feet; thence north 75° 0' west 601.4 feet; thence north 4° 1' east 360.8 feet; thence north

52° 46' east 317.1 feet; thence south 75° 16' east 313 feet, thence north 533.5 feet to said north one-half section line; and thence east on said north line to the place of beginning.

(c) Thiensville Gravel Pit

That part of the SE ¼ of Section 15, Township 9 north, Range 21 east, described as follows, to-wit:

Commencing at a point on the east line of the transmission line and railway right-of-way of the party of the first part, where it is intersected by the south line of lands conveyed by Milwaukee Northern Railway Company to Frederick Thierman by deed recorded in Volume 49 of Deeds on pages 434 to 436, said Ozaukee County Registry; thence east on said south property line to a point 170 feet northeasterly of said east right-of-way line measured at right angles thereto; thence southeast parallel to said east right-of-way line 300 feet; thence west to a point 150 feet northeasterly of said east right-of-way line measured at right angles thereto; thence southeast parallel to said east right-of-way line 240 feet to a point; thence west parallel to the south line of said Section 15 to said east right-of-way line; and thence northwesterly on said east right-of-way line to the place of beginning.

Also that part of said SE ¼ of Section 15, conveyed by Frederika Koopman et al to Milwaukee Northern Railway Company by deed recorded in Volume 49 of Deeds on pages 388 and 389, said Ozaukee County Registry, which lies east of the transmission line and railway right-of-way of the party of the first part, excepting therefrom the part conveyed to Frederick Thierman by deed recorded in Volume 49 of Deeds on pages 434 to 436, said Ozaukee County Registry.

(d) Thiensville Station

That part of lands in the NE ¼ of Section 22, Township 9 north, Range 21 east, conveyed by Ernest Alten and Mathilda Alten, his wife, to Milwaukee Northern Railway Company by deeds recorded in Volume 49 of Deeds on pages 350 and 351, and in Volume 49 of Deeds on page 360, said Ozaukee County Registry, which lies outside the transmission line and railway right-of-way of the party of the first part.

WAUKESHA COUNTY

1. Rights-of-Way Land

(a) All that part of the SE ¼ of Section 33, Township 7 north, Range 19 east, described as follows: Commencing at the intersection of the west line of the transmission line and railway right-of-way of the party of the first part and the center line of State Trunk Highway #41, thence northwesterly on said west right-of-way line, 217.7 feet to a point which point is the beginning of the description of the land to be conveyed; thence northwesterly on said west right-of-way line, 219.45 feet to a point, thence southwesterly at right angles to said west right-of-way line, 118 feet to a point; thence southeasterly and parallel to said west right-of-way line, 100 feet to a point, thence southeasterly 167.9 feet to the place of beginning, containing 0.433 acres more or less.

(b) The rights of the party of the first part in Summit Avenue, City of Waukesha.

2. Passenger Station and Waiting Room Land

(a) Waukesha Station

That part of the NE ¼ of Section 3, Township 6 north, Range 19 east known as and being part of the Mill Reserve in the City of Waukesha, being bounded and described as follows, to-wit: Commencing at the intersection of the southwesterly line of Broadway and the southwesterly line of Clinton Street; thence running southeast on the southwesterly line

of Clinton Street, 25.62 feet to the point where the center line of the northwesterly wall of the engine house, extended northeast, intersects the southwesterly line of Clinton Street; thence southwest through the center of the northwesterly wall of the engine house, 135 feet to the northeasterly line of land of Wisconsin General Railway; thence northwest on said northeasterly line to the extension southwest of the southeasterly line of Lot 4 of Kimball's Second Subdivision of said Mill Reserve; thence northeast on the extension of said southeasterly line of said Lot 4 to the south line of Lots 1, 2, 3, and 4 of said Kimball's Second Subdivision; thence southeast on the extension of said south line of said lots to the west bank of Fox River; thence southeasterly at right angles to the center line or thread of Fox River to the center line or thread of said river, thence northeasterly on said center line or thread of said river to the intersection thereof with the southwesterly line of Broadway; thence southeast on the southwesterly line of Broadway to the place of beginning.

(b) Oconomowoc Waiting Station

Lot 32, Worthington's Second Addition to the City of Oconomowoc, in the SE ¼ Section 32, Township 8 north, Range 17 east.

3. Express Station Land

(a) Waukesha Express Station

Lot 17 of Kimball's Plat of Subdivision of Block "O" of the Northwest Addition to Prairieville, now Waukesha, excepting and reserving therefrom the northwesterly 100 feet thereof;

Also that part of Lot 13, said Block "O" described as follows, to-wit: Commencing at the southeast corner of said Lot 13; thence northwesterly on the north line of Madison Street 15 feet; thence northeasterly and parallel to the northwesterly line of said Lot 13, 75 feet; thence northeasterly to a point on the northeasterly line of said Lot 13, 30 feet northwest of the northeast corner of said Lot 13; thence southeasterly on said northeasterly lot line 30 feet to said northeast corner of said Lot 13; and thence south on said southeasterly lot line to the place of beginning, together with railway easement in Madison Street;

Also the right of ingress and egress to and from said Lot 17 over a parcel of land 15 feet in width northwest of and adjoining said part of Lot 13.

4. Miscellaneous Land

(a) Waukesha Gravel Pit

That part of the NW ¼ of Section 1, Township 6 north, Range 19 east, described as follows, to-wit: Commencing at a point 1609.7 feet east of the west line of said Section 1 and 50 feet north of the south line of said quarter section; thence northeasterly 978.85 feet to a point, which point is 600 feet west of the east line of said quarter section; thence north and parallel to said east line to a point on the north line of the SE ¼ of the NW ¼ of said Section 1; thence east 600 feet to the northeast corner of said SE ¼ of the NW ¼; thence south on said east line to the southeast corner of said quarter section; and thence west on said south line to a point 1609.7 feet east of said west section; and thence north 50 feet to the place of beginning.

Also the west 15 acres of the SW ¼ of the NE ¼ of Section 1, Township 6 north, Range 19 east.

JEFFERSON COUNTY

1. Passenger Station and Waiting Room Land

(a) Watertown Station

All except the north 22 feet of the west 16 feet of Lot 1, Block 14, Cole, Bailey & Company's Original Plat of Watertown, east side of Rock River, in the NE ¼ of Section 4, Township 8 north, Range 15 east;

Also all except the north 27 feet of Lot 2, Block 14, in said Cole, Bailey & Company's Plat of Watertown.

2. Express Station Land

(a) Watertown Express Station

The south 24 feet of Lot 5 and all of Lot 6 in Block 3 as marked and designated on Cole, Bailey & Company's recorded map or plat of the Village, now City, of Watertown.

3. Garage Land

(a) Watertown Garage

Lot 4 and the north 42 feet of Lot 5, Block 3, Cole, Bailey & Co.'s Addition in the SW ¼ of Section 4, Township 8 north, Range 15 east.

SHEBOYGAN COUNTY

1. Passenger Station and Waiting Room Land

(a) Sheboygan Station

The north 60 feet of Lots 7 and 8 and the north 60 feet of the west 1/3 of Lot 9 in Block 177, Original Plat of the City of Sheboygan.

2. Miscellaneous Land

(a) Sheboygan Garage and Express Station

The west 20 feet of Lot 1, all of Lots 2, 10, 11 and 12, the east 40 feet of Lot 3, and the east 40 feet of Lot 9, Block 177, Original Plat of the City of Sheboygan.

WALWORTH COUNTY

1. Passenger Station and Waiting Room Land

(a) East Troy Waiting Station

That part of Lot 2, Block 2, Original Plat of East Troy, lying outside the transmission line and railway right-of-way of the party of the first part.

TO HAVE AND TO HOLD said properties and assets, real and personal, conveyed hereby unto the party of the second part, its successors and assigns forever, SUBJECT, HOWEVER, as to the physical properties conveyed hereunder to the lien of the Refunding and First Mortgage dated June 1, 1921, executed by the party of the first part to Central Union Trust Company of New York (now Central Hanover Bank and Trust Company) as trustee, the discharge of which said mortgage the party of the first part hereby covenants and agrees to procure promptly upon securing the proceeds of the new securities of the party of the first part which are sought to be authorized by the applications of the party of the first part to Wisconsin Public Service Commission and the Securities and Exchange Commission; subject also to all liabilities and obligations of the party of the first part in respect of claims accruing prior to the date hereof for injuries and damages occasioned in the operation of the conveyed transportation properties; the liabilities and obligations of the party of the first part accrued or to accrue in the future pursuant to contract arrangement or otherwise relating to the operation or utilization of the conveyed properties, and the employment, welfare, relief, and pension of transportation employes; liabilities and obligations ~~and obligations~~ arising out of contracts or orders for the purchase of supplies for the conveyed properties; liabilities and obligations (accruing from the date hereof) of the party of the first part either as lessor or lessee on leases or leaseholds conveyed or property conveyed and now held under lease by others; liabilities and obligations in respect of all accrued costs of operation relating to the conveyed transportation

properties (except salaries and wages of the employes of the party of the first part accruing to the date hereof, which are to be paid by the party of the first part); and all other liabilities and obligations in connection with the construction, maintenance and operation of the conveyed properties, whether or not reflected in the pro forma balance sheet hereinbefore set forth, together with all such liabilities and obligations incurred after June 30, 1938, and up to the date hereof and now unpaid; all of which liabilities and obligations (except as expressly excepted) are hereby expressly assumed by the party of the second part, and it hereby covenants and agrees to indemnify and save harmless the party of the first part, its successors and assigns, from all loss and liability by reason thereof.

AND THE SAID PARTY OF THE FIRST PART for itself, its successors and assigns, does covenant, grant, bargain and agree to and with said party of the second part, its successors and assigns, that at the time of the ensealing and delivering of these presents it is vested with good, sure, perfect and indefeasible title to the business, properties, rights, privileges and franchises hereby conveyed, and that the same are free and clear of all encumbrances whatsoever, except as herein set forth, and that the said business, properties, rights, privileges and franchises in the quiet and peaceful possession of the party of the second part, its successors and assigns, against all and every person lawfully claiming a whole or any part thereof, it will forever secure, warrant and defend.

The party of the first part for itself, its successors and assigns, covenants and agrees that it will from time to time, on request of the second party, its successors and assigns, execute and deliver all such additional instruments of conveyance, assignments, and transfers as may be necessary or convenient, to further assure unto the party of the second part, its successors and assigns, all of the right, title and interest of the first party in and to the properties, business and assets hereinbefore described and intended to be transferred and conveyed by this Indenture.

IN WITNESS WHEREOF, each of the parties have caused these presents to be signed in its corporate name by one of its proper officers thereunto duly authorized and countersigned and attested by its assistant secretary, and its corporate seal to be hereunto affixed the day and year first above written.

ATTEST:

A. J. BOHL
Assistant Secretary

(CORPORATE SEAL) WISCONSIN ELECTRIC POWER COMPANY

By G. G. POST
Vice President

In Presence of:

W. A. GAUGER

F. M. F A PERN (?)

Countersigned:

H. J. BOHL
Assistant Secretary

ATTEST:

A. C. HOLMQUIST
Assistant Secretary

(CORPORATE SEAL) THE MILWAUKEE ELECTRIC RAILWAY & TRANSPORT COMPANY

By R. H. PINKLEY
President

In Presence of:

James B. Cecil

H. P. Chamberlin

Countersigned:

A. C. HOLMQUIST
Assistant Secretary

United States documentary stamps in the amount of $660.50 were affixed to the original conveyance recorded in the office of the Register of Deeds for Milwaukee County, Wisconsin and were duly cancelled on Oct. 21, 1938.

STATE OF WISCONSIN)
) SS.
Milwaukee County)

PERSONALLY came before me this 21st day of October, 1938, G. G. Post, Vice President, and A. J. Bohl, Assistant Secretary, of Wisconsin Electric Power Company, to me known to be the persons who executed the foregoing Indenture and to me known to be such Vice President and Assistant Secretary of said corporation, and acknowledged that they executed the foregoing Indenture as such officers as the deed of said corporation by its authority.

(NOTARIAL SEAL)

Peter Molgaard
Notary Public, Milwaukee County,
Wisconsin

My Commission expires June 14, 1942

STATE OF WISCONSIN)
) SS.
Milwaukee County)

PERSONALLY came before me this 21st day of October, 1938, R. H. Pinkley, President, and A. C. Holmquist, Assistant Secretary of The Milwaukee Electric Railway & Transport Company, to me known to be the persons who executed the foregoing Indenture and to me known to be the President and Assistant Secretary of said corporation, and acknowledged that they executed the foregoing Indenture as such officers as the deed of said corporation by its authority.

(NOTARIAL SEAL)

Peter Molgaard
Notary Public, Milwaukee County,
Wisconsin

My commission expires June 14, 1942

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 21st day of October A. D. 1938 at 11:45 O'clock A. M. and recorded in Vol. 33 of R. R. Mortgages on page 475 - 495, incl.

Robert L. Siebecker
Assistant Secretary of State

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COUNTERPART NO. 7

EXECUTED IN 13 COUNTERPARTS

CERTIFICATE OF DISCHARGE OF MORTGAGE

OF

CENTRAL HANOVER BANK & TRUST COMPANY

TO

WISCONSIN ELECTRIC POWER COMPANY
(formerly The Milwaukee Electric Railway & Light Company)

Dated October 28, 1938

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Wisconsin Electric Power Company, a corporation organized and existing under the laws of the State of Wisconsin(formerly named The Milwaukee Electric Railway and Light Company, and hereinafter called the "Company"), heretofore executed and delivered to Central Union Trust Company of New York (now Central Hanover Bank and Trust Company), a corporation organized and existing under the laws of the State of New York, as Trustee, its Refunding and First Mortage dated June 1, 1921 (herinafter called the "Mortgage"), to secure an issue of Mortgage Bonds of the Company, not limited in aggregate principal amount except as therin provided, and there have been executed and delivered indentures supplemental thereto dated June 1, 1921 (three indentures), October 16, 1922, September 12, 1923, February 21, 1924, August 1, 1926, August 28, 1926, January 28, 1927, July 30, 1927, (two indentures), October 1, 1927 January 21, 1929, December 30, 1929, January 31, 1931, June 5, 1931, and December 30, 1935; and

WHEREAS, the Mortgage and said indentures supplemental thereto (except the supplemental indentures dated July 30, 1927 and December 30, 1929 providing for the issue of additional Bonds of Series B) were recorded and filed in the Offices of the Register of Deeds in the respective counties hereinafted specified in the State of Wisconsin and in the Department of State of the State of Wisconsin, as follows:

REFUNDING AND FIRST MORTGAGE
DATED JUNE 1, 1921

County	Volume	Page	Date Recorded	Document Number
Jefferson	146 of Mtgs.	1	July 6, 1921	254,978
Kenosha	62 of Mtgs.	8	July 6, 1921	124,803
Milwaukee	993 of Mtgs.	364	June 21, 1921	1,098,851
Osaukee	71 of Mtgs.	101	January 14, 1929	98,152
Racine	138 of Mtgs.	-	June 21, 1921	277,357
Sheboygan	150 of Mtgs.	287	January 14, 1929	257,765
Walworth	141 of Mtgs.	101	July 6, 1921	231,776
Waukesha	130 of Mtgs.	142	July 6, 1921	118,042
Department of State	22 of R. R. Mtgs.	1	June 21, 1921	

INDENTURE DATED JUNE 1, 1921

of

NORTH MILWAUKEE LIGHT AND POWER COMPANY
(Conveying Property to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Jefferson	146 of Mtgs.	197	July 6, 1921	254,980
Kenosha	62 of Mtgs.	10	July 6, 1921	124,805
Milwaukee	993 of Mtgs.	469	June 21, 1921	1,098,853
Racine	138 of Mtgs.	-	June 21, 1921	277,359
Walworth	141 of Mtgs.	210	July 6, 1921	231,778
Waukesha	130 of Mtgs.	253	July 6, 1921	118,044
Department of State	20 of R. R. Mtgs.	578	June 21, 1921	

INDENTURE DATED JUNE 1, 1921

of

THE WISCONSIN EDISON COMPANY
(Transferring Certain Securities to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Jefferson	146 of Mtgs.	205	July 6, 1921	254,981
Kenosha	62 of Mtgs.	11	July 6, 1921	124,806
Milwaukee	993 of Mtgs.	473	June 21, 1921	1,098,854
Racine	138 of Mtgs.	-	June 21, 1921	277,360
Walworth	141 of Mtgs.	214	July 6, 1921	231,779
Waukesha	130 of Mtgs.	257	July 6, 1921	118,045
Department of State	20 of R. R. Mtgs	583	June 21, 1921	

SUPPLEMENTAL INDENTURE DATED JUNE 1, 1921
(Creating Bonds of Series A)

County	Volume	Page	Date Recorded	Document Number
Jefferson	146 of Mtgs.	179	July 6, 1921	254,979
Kenosha	62 of Mtgs.	9	July 6, 1921	124,804
Milwaukee	993 of Mtgs.	460	June 21, 1921	1,098,852
Racine	138 of Mtgs.	9	June 21, 1921	277,358
Walworth	141 of Mtgs.	200	July 6, 1921	231,777
Waukesha	130 of Mtgs.	243	July 6, 1921	118,043
Department of State	20 R. R. Mtgs.	566	June 21, 1921	

SUPPLEMENTAL INDENTURE DATED OCTOBER 16, 1922
(Creating Bonds of Series B)

County	Volume	Page	Date Recorded	Document Number
Jefferson	148 of Mtgs.	265	October 26, 1922	258,795
Kenosha	80 of Mtgs.	338	October 25, 1922	130,677
Milwaukee	1086 of Mtgs.	44	October 20, 1922	1,173,440
Racine	168 of Mtgs.	330	October 23,1922	287,291
Walworth	141 of Mtgs.	273	October 23, 1922	237,705
Waukesha	137 of Mtgs.	88	October 21, 1922	124,538
Department of State	23 of R. R. Mtgs.	1	October 23, 1922	

SUPPLEMENTAL INDENTURE DATED SEPTEMBER 12, 1923
(Creating Bonds of Series C)

County	Volume	Page	Date Recorded	Document Number
Jefferson	148 of Mtgs.	381	September 17, 1923	261,828A
Kenosha	84 of Mtgs.	177	October 5, 1923	136,024
Milwaukee	1086 of Mtgs.	433	September 15, 1923	1,233,312
Racine	181 of Mtgs.	54	September 19, 1923	295,119
Walworth	145 of Mtgs.	47	September 17, 1923	241,724
Waukesha	137 of Mtgs.	391	September 17, 1923	129,219
Department of State	24 of R.R. Mtgs.	145	September 17, 1923	

SUPPLEMENTAL INDENTURE DATED FEBRUARY 21, 1924
(Conveying Additional Property to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Jefferson	148 of Mtgs.	571	January 2, 1925	265,740
Kenosha	93 of Mtgs.	30	December 20, 1924	143,351
Milwaukee	1046 of Deeds	397	November 3, 1924	1,315,371
Racine	188 of Mtgs.	1	December 8, 1924	306,073
Walworth	147 of Mtgs.	211	December 26, 1924	248.035
Waukesha	143 of Mtgs.	270	November 28, 1924	135,354
Department of State	23 of R.R. Mtgs.	481	October 28, 1924	

SUPPLEMENTAL INDENTURE DATED AUGUST 1, 1926
(Relating to Power Plant Lease)

County	Volume	Page	Date Recorded	Document Number
Milwaukee	1256 of Mtgs.	402	August 25, 1926	1,457,777
Department of State	25 of R.R.Mtgs.	501	September 25, 1926	

INDENTURE DATED AUGUST 28, 1926
of
WELLS POWER COMPANY
(Conveying Property to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Milwaukee	1257 of Mtgs.	244	September 30, 1926	1,466,290
Department of State	25 of R.R. Mtgs.	496	September 24, 1926	

SUPPLEMENTAL INDENTURE DATED JANUARY 28, 1927
(Conveying Additional Property to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Jefferson	160 of Mtgs.	172	March 23, 1927	272,997
Kenosha	105 of Mtgs.	371	March 5, 1927	161,411
Milwaukee	1262 of Mtgs.	174	February 7, 1927	1,496,816
Racine	208 of Mtgs.	470	March 10, 1927	329,770
Walworth	157 of Mtgs.	98	March 17, 1927	262,198
Waukesha	151 of Mtgs.	272	March 2, 1927	148,895
Department of State	26 of R.R.Mtgs.	53	February 18, 1927	

SUPPLEMENTAL INDENTURE DATED OCTOBER 1, 1927
(Relating to Power Plant Lease)

County	Volume	Page	Date Recorded	Document Number
Milwaukee	1423 of Mtgs.	76	November 7, 1927	1,566,106
Department of State	26 of R.R.Mtgs.	350½	November 8, 1927	

SUPPLEMENTAL INDENTURE DATED OCTOBER 1, 1927
(Creating Bonds of 5% Series due 1967)

County	Volume	Page	Date Recorded	Document Number
Jefferson	160 of Mtgs.	204	November 11, 1927	275,102
Kenosha	114 of Mtgs.	590	November 18, 1927	167,724
Milwaukee	1423 of Mtgs.	79	November 7, 1927	1,566,107
Racine	217 of Mtgs.	503	November 8, 1927	337,683
Walworth	157 of Mtgs.	633	November 8, 1927	266,993
Waukesha	155 of Mtgs.	132	November 8, 1927	154,049
Department of State	27 of R.R.Mtgs.	44	November 8, 1927	

SUPPLEMENTAL INDENTURE DATED JANUARY 21, 1929
(Issue of Additional Bonds of Series B)

County	Volume	Page	Date Recorded	Document Number
Jefferson	160 of Mtgs.	363	March 5, 1929	279,276
Kenosha	131 of Mtgs.	225	March 9, 1929	178,490
Milwaukee	1473 of Mtgs.	224	February 28, 1929	1,682,693
Racine	241 of Mtgs.	112	February 28, 1929	352,982
Ozaukee	71 of Mtgs.	162	February 28, 1929	98,387
Sheboygan	150 of Mtgs.	352	February 28, 1929	258,610
Walworth	160 of Mtgs.	633	February 28, 1929	276,897
Waukesha	163 of Mtgs	331	February 28, 1929	163,951
Department of State	28 of R.R.Mtgs.	196	February 27, 1929	

SUPPLEMENTAL INDENTURE DATED JANUARY 31, 1931
(Creating Bonds of 5% Series due 1971)

County	Volume	Page	Date Recorded	Document Number
Jefferson	160 of Mtgs.	556	February 6, 1931	288,820A
Kenosha	150 of Mtgs.	305	February 19, 1931	192,568
Milwaukee	1527 of Mtgs.	534	February 5, 1931	1,830,196
Racine	270 of Mtgs.	377	February 6, 1931	374,153
Ozaukee	72 of Mtgs.	254	February 17, 1931	102,316
Sheboygan	150 of Mtgs.	614	February 13, 1931	279,587
Walworth	166 of Mtgs.	37	February 6, 1931	288,559
Waukesha	172 of Mtgs.	543	February 6, 1931	178,565
Department of State	29 of R.R.Mtgs.	383	February 6, 1931	

SUPPLEMENTAL INDENTURE DATED JUNE 5, 1931
(Conveying Additional Property to the Trustee)

County	Volume	Page	Date Recorded	Document Number
Jefferson	160 of Mtgs.	586	June 9, 1931	290,893D
Kenosha	152 of Mtgs.	482	June 9, 1931	194,433
Milwaukee	1557 of Mtgs.	190	June 9, 1931	1,852,485
Racine	274 of Mtgs.	369	June 9, 1931	377,286
Ozaukee	71 of Mtgs.	274	June 12, 1931	103,014
Sheboygan	168 of Mtgs.	28	June 13, 1931	283,953
Walworth	165 of Mtgs.	543	June 15, 1931	290,466
Waukesha	173 of Mtgs.	99	June 9, 1931	180,952
Department of State	29 of R.R.Mtgs.	460	June 9, 1931	

SUPPLEMENTAL INDENTURE DATED DECEMBER 30, 1935
(Relating to Power Plant Lease)

County	Volume	Page	Date Recorded	Document Number
Milwaukee	1696 of Mtgs.	335	January 6, 1936	2,066,595
Department of State	32 of R.R.Mtgs.	11	January 8, 1936	

WHEREAS, the Company has heretofore executed, and the Trustee has heretofore authenticated and delivered $5,000,000 principal amount of Refunding and First Mortgage Gold Bonds, Series A, all of which have heretofore been redeemed or retired through operation of the sinking fund; $47,565,000 principal amount of Refunding and First (now First) Mortgage Gold Bonds, Series B, of which $3,042,500 principal amount has been retired through operation of the purchase fund, and $44,375,500 principal amount are now outstanding with the public and $147,000 have been reacquired by the Company and are now held in its treasury; $10,000,000 principal amound of Refunding and First Mortgage Gold Bonds, Series C, all of which have heretofore been redeemed or retired through operation of the purchase fund; $2,500,000 principal amount of Refunding and First Mortgage Gold Bonds, 5% Series due 1967, all of which have heretofore been redeemed; and $15,000,000 principal amount of First Mortgage Gold Bonds, 5% Series due 1971, all of which are now outstanding; and accordingly there are now outstanding $59,522,500 principal amount of Bonds (of which $147,000 principal amount have been reacquired by the Company and are now held in its treasury) issued under and secured by the Mortgage, and no other Bonds have ever been authenticated or issued thereunder, except in substitution for Bonds alleged to have been lost, destroyed or mutilated, and except Bonds of one denomination exchanged for Bonds of other demoninations; and

WHEREAS, the Company has paid or caused to be paid to the holders of such Bonds and the coupons appertaining thereto, the principal and interest to become due thereon at the times and in the manner stipulated therein, within the meaning of the Mortgage by depositing with the Trustee prior to the redemption date of said Bonds, for the payment of said Bonds and the interest thereon, the entire amount due on the redemption thereof; and has kept, performed and observed all and singular the covenants and promises in said Bonds and in the Mortgage expressed as to be kept, performed and observed by it or on its

part, and the Mortgage and the estate, properties and franchises conveyed thereunder and all rights and interest therein and thereto have reverted to the Company and the estate, right, title and interest of the Trustee have ceased, determined and become void; and

WHEREAS, it is provided in the Mortgage that thereupon the Trustee shall, upon request of the Company, cancel and discharge the lien of the Mortgage, and execute and deliver to the Company such deeds as shall be requisite to satisfy the lien thereof, and reconvey to the Company the estate and title thereby conveyed, and assign and deliver to the Company any property thereby conveyed and subject to the lien thereof which may be in its possession;

NOW, THEREFORE, the undersigned, Central Hanover Bank and Trust Company, Trustee under said Refunding and First Mortgage of Wisconsin Electric Power Company (formerly named The Milwaukee Electric Railway and Light Company), dated June 1, 1921, does hereby cancel and discharge said Mortgage and said indentures supplemental thereto dated respectively, June 1, 1921 (three indentures), October 16, 1922, September 12, 1923, February 21, 1924, August 1, 1926, August 28, 1926, January 28, 1927, July 30, 1927, October 1, 1927 (two indentures), January 21, 1929, December 30, 1929, January 31, 1931, June 5, 1931 and December 30, 1935, and acknowledges satisfaction thereof, and does hereby reconvey, assign, release and deliver to the Company, its successors and assigns forever, all of its estate, right, title and interest as Trustee in and to all the property conveyed to it by, and now subject to the lien of, said Mortgage and said indentures supplemental thereto.

IN WITNESS WHEREOF, said Central Hanover Bank and Trust Company has caused these presents to be signed in its corporate name by its President or one of its Vice Presidents and impressed with its corporate seal, attested by its Secretary or one of its Assistant Secretaries, as of this 28th day of October, 1938.

(CORPORATE SEAL)

CENTRAL HANOVER BANK AND TRUST COMPANY,
as Trustee under the Refunding and First Mortgage of The Milwaukee Electric Railway and Light Company dated June 21, 1921

By F. Wolfe
Vice President

ATTEST:

J. T. Harrigan
Assistant Secretary

SIGNED, SEALED AND DELIVERED by Central Hanover Bank and Trust Company in the presence of:

F. D. Cole

T. Meagher
Witnesses.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 28th day of October, 1938 before me personally appeared F. Wolfe and J. T. Harrigan to me personally known, who, being by me severally duly sworn, did say that F. Wolfe is a Vice President and J. T. Harrigan is an Assistant Secretary of Central Hanover Bank and Trust Company and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Trustees and said F. Wolfe and

J. T. Harrigan severally acknowledge said instrument to be the free act and deed of said corporation.

E. F. Ryan
Notary Public

E. F. RYAN
NOTARY PUBLIC
Nassau Co. No. 2152
Ctf. filed N.Y. Co. No. 987, Reg. No. 9R592
Term expires March 30, 1939

(Notarial Seal)

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

NO. 67048 Form 2

I, ARCHIBALD R. WATSON, Clerk of the County of New York, and also Clerk of the Supreme Court in and for said county,

DO HEREBY CERTIFY, That said Court is a Court of Record, having by law a seal; that

E. F. RYAN

whose name is subscribed to the annexed certificate or proof of acknowledgment of the annexed instrument was at the time of taking the same a NOTARY PUBLIC acting in and for said county, duly commissioned and sworn, and qualified to act as such; that he has filed in the Clerk's Office of the County of New York a certified copy of his appointment and qualification as Notary Public for the County of NASSAU with his autograph siganture; that as such Notary Public, he was duly authorized by the laws of the State of New York to protest notes; to take and certify depositions; to administer oaths and affirmations; to take affidavits and certify the acknowledgment and proof of deeds and other written instruments for lands, tenements and hereditaments, to be read in evidence or recorded in this state; and further, that I am well acquainted with the handwriting of such Notary Public and verily believe that his signature to such proof or acknowledgement is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Courtat the City of New York, in the County of New York, this 31st day of October, 1938.

(SEAL)

Archibald R. Watson
Clerk

STATE OF WISCONSIN) SS.
Department of State)

Received this 1st day of
Nov. A.D. 1938 at 1:50
o'clock P.M. and recorded in Vol.
33 of R.R. Mtgs.
on page 497 - 502B incl.

Robert L. Siebecker
Assistant Secretary of State

Index

FIRST MORTGAGE AND DEED OF TRUST

FROM

MISSISSIPPI VALLEY PUBLIC SERVICE COMPANY

TO

FIRST WISCONSIN TRUST COMPANY

AND

GEORGE B. LUHMAN
Trustees

Dated November 1, 1938

Securing First Mortgage Bonds of
Mississippi Valley Public Service Company

The United States Internal Revenue Stamps required by law have been affixed to the original counterpart of this Indenture on file with FIRST WISCONSIN TRUST COMPANY, as Trustee and have been duly cancelled.

INDENTURE, made and dated as of the first day of November, 1938, by and between Mississippi Valley Public Service Company, a corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, having its principal office in the City of Milwaukee in said State (hereinafter sometimes called the Company), party of the first part, and First Wisconsin Trust Company, a corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, having its principal office in the City of Milwaukee in said State and George B. Luhman of Milwaukee, Wisconsin, as Trustees, parties of the second part; (said First Wisconsin Trust Company and George B. Luhman being hereinafter sometimes called the "Trustees", said First Wisconsin Trust Company being hereinafter sometimes called the "Trustee" and said George B. Luhman being hereinafter sometimes called the "Co-Trustee").

Whereas, The Company has deemed it necessary to borrow money for its corporate purposes and to issue its bonds therefor, and to mortgage and pledge its property hereinafter described to secure the payment of the same, said bonds to be issued in one or more series, maturing at such dates and bearing interest at such rates respectively, and to be coupon bonds, registerable or not registerable as to principal as the Board of Directors of the Company prior to the issue thereof may determine, with interest coupons attached with the facsimile signature of the present or any future Treasurer of the Company thereon, and/or registered bonds, without coupons, issuable as in this Indenture hereinafter provided; to be signed in its corporate name by its President or a Vice President, and its corporate seal thereunto affixed, or printed, lithographed, or engraved thereon in facsimile, attested by its Secretary or an Assistant Secretary, and authenticated by the certificate of the Trustee; which said coupon bonds, coupons, registered bonds without coupons and Trustee's certificate are to be substantially in the forms following, respect-

ively,-the proper amounts, series and numbers, dates of issue, dates of maturity and rates of interest to be inserted therein, and appropriate insertions, omissions and variations to be made in such bonds and coupons to express the terms and conditions upon which the same are to be redeemable before maturity (if so redeemable), to express the terms and conditions of exchangeability or interexchangeability of the bonds, to express the privilege of registration as to principal of such coupon bonds as may be so registerable as to principal, to express the covenants of the Company in regard to payment of taxes and sinking funds, if any, and in other respects to express the terms and conditions on which such bonds are issued as required or permitted by this Indenture:

[General Form Of Coupon Bond]

MISSISSIPPI VALLEY PUBLIC SERVICE COMPANY

(Incorporated under the laws of the State of Wisconsin)
First Mortgage Bond

No.---------- Series---------- $----------

Mississippi Valley Public Service Company, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the Company), for value received, hereby promises to pay to the bearer or, if this bond be register as to principal, to the registered holder hereof, on the --------- day of ---- ----------, 19----, at ----------, the sum of ----------Dollars in coin or currency of the United States of American, which at the time of payment is legal tender for public and private debts, and to pay interest thereon from the ---------- day of ----------, ----------, at the rate of ----------per cent per annum, in like coin or currency, until the maturity hereof; said interest being payable at --------- on the ---------- day of ---------- and on the ---------- day of ---------- in each year, but only according to the tenor and upon presentation and surrender of the respective coupons hereto attached, as they severally mature.

This bond is one of a duly authorized issue of bonds of the Company, known as its First Mortgage Bonds of the series and designation indicated on the face hereof, which issue of bonds consists, or may consist, of several series of varying denominations, dates and tenors, all issued and to be issued under and equally secured (except in so far as a sinking fund, or similar fund, established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by a Mortgage and Deed of Trust (herein called the Indenture) dated November 1, 1938, executed by the Company to First Wisconsin Trust Company and George B. Luhman, as Trustees (the term "Trustee" wherever used herein referring to said First Wisconsin Trust Company or its successor in said trust), to which Indenture reference is hereby made for a description of the property mortgaged and pledge, the nature and extent of the security, the rights of the holders of the bonds as to such security, and the terms and conditions upon which the bonds may be issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a default as in the Indenture provided.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and/or of the holders of the bonds and/or coupons, and/or the terms and provisions of the Indenture and/or of any instruments supplemental thereto may be modified or altered by affirmative vote of the holders of at least eighty per cent. (80%) in principal amount of the bonds then outstanding under the Indenture and any instruments supplemental thereto (excluding bonds challenged and disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided that no such modification or alteration shall permit the extension of the maturity of the principal of this bond or the reduction in the rate of interest hereon or any other modification in the terms of payment of such principal or interest without the consent of the holder hereof.

The Company and the Trustees may deem and treat the bearer of this bond, or if this bond be registered as herein authorized, the person in whose name the same is registered, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and for all other purposes, except to receive payment of interest represented by outstanding coupons, and shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this bond, or any part thereof, or of any claim based hereon or in respect hereof or of said Indenture, against any incorporator, or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond and the coupons hereto appertaining shall not be valid or become obligatory for any purpose unless and until First Wisconsin Trust Company, as Trustee under the Indenture or its successor thereunder shall sign the certificate of authentication endorsed hereon.

In Witness Whereof, Mississippi Valley Public Service Company has caused this bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile siganture of its Treasurer to be attached hereto as of the -------day of ----------.

Mississippi Valley Public Service Company,

By----------
-----President.

Attest:

----------Secretary.

[General Form of Coupon]

No.---------- $----------

On the ----------day of ----------, 19 ------, Mississippi Valley Public Service Company will pay to bearer at ---------- ---------- Dollars in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, as specified in its First Mortgage Bond, Series----------, No.----------, being six months' interest then due on said bond.

This coupon will not be payable if said bond shall have been called for previous redemption and payment duly provided for.

Treasurer.

The words "This coupon will not be payable if said bond shall have been called for previous redemption and payment duly provided for," will appear only upon coupons to

which they are applicable by reason of provision for redemption prior to the fixed maturity contained in the bonds to which such coupons are attached.

(General Form of Registered Bond Without Coupons)

MISSISSIPPI VALLEY PUBLIC SERVICE COMPANY

(Incorporated under the laws of the State of Wisconsin)

First Mortgage Bond

No. ---------- Series ---------- $ ----------

Mississippi Valley Public Service Company, a corporation organized and ixisting under the laws of the State of Wisconsin (hereinafter called the Company), for value received, hereby promises to pay to ---------- or registered assigns, on the ---------day of ----------, 19-----, at ----------, the sum of ----------Dollars in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, and to pay to the registered owner hereof interest thereon from the date hereof at the rate of ------per cent per annum, in like coin or currency, until the maturity hereof; said interest being payable at ---------- on the ----------day of----------and on the----------day of ----------in each year.

This bond is one of a duly authorized issue of bonds of the Company, known as its First Mortgage Bonds, of the series and designation indicated on the face hereof, which issue of bonds consists, or may consist, of several series of varying denominations, dates and tenors, all issued and to be issued under and equally secured (except in so far as a sinking fund, or similar fund, established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by a Mortgage and Deed of Trust (herein called the Indenture) dated November 1, 1938, executed by the Company to First Wisconsin Trust Company and George B. Luhman, as Trustees (the term "Trustee" wherever used herein referring to said First Wisconsin Trust Company or its successor in said trust), to which Indenture reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds as to such security, and the terms and conditions upon which the bonds may be issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a default as in the Indenture provided.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and/or of the holders of the bonds and/or coupons, and/or the terms and provisions of the Indenture and/or of any instruments supplemental thereto may be modified or altered by affirmative vote of the holders of at least eight per cent (80%) in principal amount of the bonds then outstanding under the Indenture and any instruments supplemental thereto (excluding bonds challenged and disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided that no such modification or alteration shall permit the extension of the maturity of the principal of this bond or the reduction in the rate of interest hereon or any other modification in the terms of payment of such principal or interest without the consent of the holder hereof.

The Company and the Trustees may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment

of or on account of the principal hereof and interest hereon and for all other purposes, and shall not be affected by any notice to the contrary.

This bond is transferable as prescribed in the Indenture by the registered owner hereof in person, or by his duly authorized attorney, at ----------, upon surrender and cancellation of this bond, and thereupon a new registered bond without coupons of the same series will be issued to the transferee in exchange therefor as provided in the Indenture, upon payment, if the Company shall so require, of the transfer charges therein prescribed.

No recourse shall be had for the payment of the principal of or the interest on this bond, or any part thereof, or of any claim based hereon or in respect hereof or of said Indenture, against any incorporator, or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver or a trustee in bankruptcy whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond shall not be valid or become obligatory for any purpose unless and until First Wisconsin Trust Company, as Trustee under the Indenture, or its successor thereunder, shall sign the certificate of authentication endorsed hereon.

In Witness Whereof, Mississippi Valley Public Service Company has caused this bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary this ----------.

Mississippi Valley Public Service Company,

By----------
------President.

Attest:

----------Secretary.

(Form of Trustee's Certificate)

This bond is one of the bonds of the Series designated thereon, described in the within mentioned Indenture.

First Wisconsin Trust Company,
as Trustee,

By----------
Assistant Secretary.

and

Whereas, the bonds of the initial series created under this Indenture are to be known as First Mortgage Bonds, 4% Series due 1963, and the bonds of said series are to be issued as coupon bonds of the denomination of $1,000, and as registered bonds without coupons of the denominations of $1,000, $5,000, $10,000, and any multiple of $10,000, and the coupon bonds of said series with the interest coupons to be attached thereto and registered bonds without coupons of said series are to be substantially in the tenor following, to wit:

(Form of coupon bond of 4% series due 1963)

MISSISSIPPI VALLEY PUBLIC SERVICE COMPANY

(Incorporated under the laws of the State of Wisconsin)

First Mortgage Bond

No.---------- $----------

4% Series due 1963

Mississippi Valley Public Service Company, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the Company), for value received, hereby promises to pay to the bearer or, if this bond be registered as to principal, to the registered holder hereof, on the first day of November, 1963, at the office of First Wisconsin Trust Company, at Milwaukee, Wisconsin, or, at the option of the holder, at the agency of the Company in the Borough of Manhattan, City and State of New York, the sum of ----------Dollars in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, and to pay interest thereon from the first day of November, 1938 at the rate of four per cent (4%) per annum, in like coin or currency, until the maturity hereof; said interest being payable at the option of the bearer of the interest coupons either at the office of First Wisconsin Trust Company, at Milwaukee, Wisconsin, or at the agency of the Company in the Borough of Manhattan, City and State of New York, on the first day of May and the first day of November in each year, but only according to the tenor and upon presentation and surrender of the respective coupons hereto attached, as they severally mature.

This bond is one of a duly authorized issue of bonds of the Company, known as its First Mortgage Bonds, of the series and designation indicated on the face hereof, which issue of bonds consists, or may consist, of several series of varying denominations, dates and tenors, all issued and to be issued under and equally secured (except in so far as a sinking fund, or similar fund, established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by a Mortgage and Deed of Trust (herein called the Indenture) dated November 1, 1938, executed by the Company to First Wisconsin Trust Company and George B. Luhman, as Trustees (the term "Trustee" wherever used herein referring to said First Wisconsin Trust Company or its successor in said trust), to which Indenture reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds as to such security, and the terms and conditions upon which the bonds may be issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a default as in the Indenture provided.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and/or of the holders of the bonds and/or coupons, and/or the terms and provisions of the Indenture and/or of any instruments supplemental thereto may be modified or altered by affirmative vote of the holders of at least eighty per cent. (80%) in principal amount of the bonds then outstanding under the Indenture and any instruments supplemental thereto (excluding bonds challenged and disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided that no such modification or alteration shall permit the extension of the maturity of the principal of this bond or the reduction in the rate of interest hereon or any other modification in the terms of payment of such principal or interest without the consent of the holder hereof.

The Company and the Trustees may deem and treat the bearer of this bond, or if

this bond be registered as herein authorized, the person in whose name the same is registered, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and for all other purposes, except to receive payment of interest represented by outstanding coupons, and shall not be affected by any notice to the contrary.

At the option of the Company, and upon the notice and in the manner and with the effect provided in the Indenture, any and all of the bonds of this 4% Series due 1963 may be redeemed, other than for the Sinking and Improvement Fund provided for bonds of that series, by the Company on any date by the payment of principal, the accrued interest thereon to the date of redemption and a premium on the principal amount, if any, as follows:

6½% if redemption be effected prior to November 1, 1942;

6% if redemption be effected on or after November 1, 1942 and prior to November 1, 1943;

5½% if redemption be effected on or after November 1, 1943 and prior to November 1, 1944;

5% if redemption be effected on or after November 1, 1944, and prior to November 1, 1945;

4½% if redemption be effected on or after November 1, 1945, and prior to November 1, 1946;

4% if redemption be effected on or after November 1, 1946, and prior to November 1, 1947;

3½% if redemption be effected on or after November 1, 1947, and prior to November 1, 1948;

3% if redemption be effected on or after November 1, 1948, and prior to November 1, 1949;

2½% if redemption be effected on or after November 1, 1949, and prior to November 1, 1950;

2¼% if redemption be effected on or after November 1, 1950, and prior to November 1, 1951;

2% if redemption be effected on or after November 1, 1951, and prior to November 1, 1952;

13/4% if redemption be effected on or after November 1, 1952, and prior to November 1, 1953;

1½% if redemption be effected on or after November 1, 1953, and prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956, and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

¼% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961;

This bond is entitled to the benefits of and is subject to call for redemption for the Sinking and Improvement Fund, upon the notice, in the manner, and with the effect, provided in the Indenture on any interest payment date by the payment of principal, the accrued interest thereon to the date of redemption and a premium on the principal amount, if any, as follows:

1½% if redemption be effected prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956, and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

¼% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961.

This bond shall pass by delivery unless registered as to principal in the holder's name on the books of the Company at the office of the Trustee at Milwaukee, Wisconsin, or at the option of the holder at the agency of the Company in the Borough of Manhattan, City and State of New York, registry being noted hereon as provided in said Indenture. After such registration no further transfer of this bond shall be valid unless made on said books by the registered holder in person or by an attorney duly authorized, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored, and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the attached coupons, which shall always be transferable by delivery and be payable to bearer.

Coupon bonds and registered bonds without coupons, of this series, are interchangeable in the manner and upon the conditions prescribed in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or any part thereof, or of any claim based hereon or in respect hereof or of said Indenture, against any incorporator, or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver [redacted] or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond and the coupons hereto appertaining shall not be valid or become obligatory for any purpose unless and until First Wisconsin Trust Company, as Trustee under the Indenture, or its successor thereunder, shall sign the certificate of

authentication endorsed hereon.

In Witness Whereof, Mississippi Valley Public Service Company has caused this bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto as of the first day of November, 1938.

Mississippi Valley Public Service Company,

By----------

----------President.

Attest:

----------Secretary.

[Form of coupon for coupon bonds of 4% series due 1963]

No.---------- $----------

On the first day of ----------19----, Mississippi Valley Public Service Company will pay to bearer at the office of First Wisconsin Trust Company, at Milwaukee, Wisconsin, or at the option of the holder hereof at the agency of the Company in the Borough of Manhattan, City and State of New York,----------Dollars in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, as specified in its First Mortgage Bond, 4% Series due 1963, No.----------,being six months' interest then due on the said bond.

This coupon will not be payable if said bond shall have been called for previous redemption and payment duly provided for.

Treasurer.

[Form of registered bond without coupons of 4% series due 1963]

MISSISSIPPI VALLEY PUBLIC SERVICE COMPANY

(Incorporated Under The Laws of the State of Wisconsin)

First Mortgage Bond

No.---------- $----------

4% Series due 1963

Mississippi Valley Public Service Company, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the Company), for value received, hereby promises to pay to ----------or registered assigns, on the first day of November, 1963, at the office of First Wisconsin Trust Company, at Milwaukee, Wisconsin, or, at the option of the registered owner, at the agency of the Company in the Borough of Manhattan, City and State of New York, the sum of ----------Dollars in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, and to pay to the registered owner hereof interest thereon from the date hereof at the rate of four per cent. (4%) per annum, in like coin or currency, until the maturity hereof; said interest being payable at the option of the registered owner hereof either at the office of First Wisconsin Trust Company, at Milwaukee, Wisconsin, or at the agency of the Company in the Borough of Manhattan, City and State of New York, on the first day of May and on the first day of November in each year.

This bond is one of a duly authorized issue of bonds of the Company, known as its First Mortgage Bonds, of the series and designation indicated on the face hereof, which

issue of bonds consists, or may consist, of several series of varying denominations, dates and tenors, all issued and to be issued under and equally secured (except in so far as a sinking or similar fund fund,/established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by a Mortgage and Deed of Trust (herein called the Indenture) dated November 1, 1938, executed by the Company to First Wisconsin Trust Company and George B. Luhman, as Trustees (the term "Trustee" wherever used herein referring to said First Wisconsin Trust Company or its successor in said trust) to which Indenture reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds as to such security, and the terms and conditions upon which the bonds may be issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a default as in the Indenture provided.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and/or of the holders of the bonds and/or coupons, and/or the terms and provisions of the Indenture and/or of any instruments supplemental thereto may be modified or altered by affirmative vote of the holders of at least eighty per cent. (80%) in principal amount of the bonds then outstanding under the Indenture and any instruments supplemental thereto (excluding bonds challenged and disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided that no such modification or alteration shall permit the extension of the maturity of the principal of this bond or the reduction in the rate of interest hereon or any other modification in the terms of payment of such principal or interest without the consent of the holder hereof.

The Company and the Trustees may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest hereon and for all other purposes, and shall not be affected by any notice to the contrary.

At the option of the Company, and upon the notice and in the manner and with the effect provided in the Indenture, any and all of the bonds of this 4% Series due 1963 may be redeemed, other than for the Sinking and Improvement Fund provided for bonds of that series, by the Company on any date by the payment of principal, the accrued interest thereon to the date of redemption and a premium on the principal amount, if any, as follows:

6½% if redemption be effected prior to November 1, 1942;

6% if redemption be effected on or after November 1, 1942, and prior to November 1, 1943;

5½% if redemption be effected on or after November 1, 1943, and prior to November 1, 1944;

5% if redemption be effected on or after November 1, 1944, and prior to November 1, 1945;

4½% if redemption be effected on or after November 1, 1945, and prior to November 1, 1946;

4% if redemption be effected on or after November 1, 1946, and prior to November 1, 1947;

3½% if redemption be effected on or after November 1, 1947, and prior to November 1, 1948;

3% if redemption be effected on or after November 1, 1948, and prior to November 1, 1949;

2½% if redemption be effected on or after November 1, 1949, and prior to November 1, 1950;

2¼% if redemption be effected on or after November 1, 1950, and prior to November 1, 1951;

2% if redemption be effected on or after November 1, 1951, and prior to November 1, 1952;

13/4% if redemption be effected on or after November 1, 1952, and prior to November 1, 1953;

1½% if redemption be effected on or after November 1, 1953, and prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956, and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

¼% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961.

This bond is entitled to the benefits of and is subject to call for redemption for the Sinking and Improvement Fund, upon the notice, in the manner and with the effect, provided in the Indenture on any interest payment date by the payment of principal, the accrued interest thereon to the date of redemption and a premium on the principal amount, if any as follows:

1½% if redemption be effected prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956, and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

1/4% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961.

This bond is transferable as prescribed in the Indenture by the registered owner hereof in person, or by his duly authorized attorney, at the office of the Trustee at

Milwaukee, Wisconsin, or at the option of the owner at the agency of the Company in the Borough of manhattan, City and State of New York, upon surrender and cancellation of this bond, and thereupon a new registered bond without coupons of the same series will be issued to the transferee in exchange therefor as provided in the Indenture, upon payment, if the Company shall so require, of the transfer charges therein prescribed.

Registered bonds of this series are interchangeable as to denominations in the manner and upon the conditions prescribed in the Indenture. Coupon bonds and registered bonds without coupons, of the series, are interchangeable in the manner and upon the conditions prescribed in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or any part thereof, or of any claim based hereon or in respect hereof or of said Indenture, against any incorporator, or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond shall not be valid or become obligatory for any purpose unless and until First Wisconsin Trust Company, as Trustee under the Indenture, or its successor thereunder, shall sign the certificate of authentication endorsed hereon.

In Witness Whereof, Mississippi Valley Public Service Company has caused this bond to/signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary this ------

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Mississippi Valley Public Service Company,

By----------

Attest: ----------President.

----------Secretary.

(Form of Trustee's Certificate)

This bond is one of the bonds of the Series designated thereon, described in the within mentioned Indenture.

First Wisconsin Trust Company,
as Trustee,

and By----------
Assistant Secretary,

Whereas, the execution and delivery of this Indenture and the issue of the bonds as in this Indenture provided have been duly authorized by the Company; and

Whereas, all things necessary to make said bonds, when duly executed by the Company and authenticated and delivered by the Trustee, valid, binding and legal obligations of the Company, and to make this Indenture a valid, binding and legal instrument for the security thereof, have been done and performed and the issue of said bonds, as in this Indenture provided, has been in all respects duly authorized;

Now, Therefore, This Indenture Witnesseth: That Mississippi Valley Public Service Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the said bonds by the holders and registered owners thereof and of One Dollar to it duly paid by the Trustees at or before the ensealing and delivery of these presents, receipt whereof is hereby acknowledged, and

in order to secure the payment of the principal of and interest (and premium, if any) on all bonds of the Company at any time issued and outstanding hereunder according to their tenor and effect, and the performance and observance by the Company of all the covenants and conditions in the said bonds and in this Indenture contained has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto First Wisconsin Trust Company and George B. Luhman, as Trustees, and to their respective successors in said Trust forever:

All property, real, personal and mixed (except as hereinafter expressly excepted from the lien hereof) now owned or possessed or hereafter acquired or possessed by the Company, of whatever character and wheresoever situated and whether or not herein specifically described, including (without in any manner limiting or impairing by the enumeration of the same the scope or intent of the foregoing or of any general description contained in this Indenture) all lands, real estate, chattels real, easements, servitudes, rights of way, leasehold and other interests in real estate, together with the buildings and improvements thereon and appurtenances thereto; all waters, flowage rights, riparian rights and other water rights, and rights in or relating to the use or occupancy of privately or publicly owned lands or waters, including reservoirs, dams, waterways, docks, roads and other improvements; all steam, hydro and other electric generating plants, together with all electric and mechanical equipment and appliances appurtant thereto of every kind and nature, including buildings, structures, machinery, water wheels, turbines, generators, dynamos, motors, boilers, engines, furnaces and other plant equipment; all substations; all electric transmission and distribution systems, including structures, poles, towers, fixtures, conduits, insulators, wires, cables, transformers, services and meters; all office, shop and other buildings and structures, equipment and appartus of all other kinds and descriptions; all street railway and motor-bus systems, together with all property, real, personal or mixed, used in the operation, construction, maintenance and repair thereof, including all rights of way, tracks, roadbeds, poles, wires, cross-arms, insulators, car barns, repair shops, machine shops, stations and other buildings; all legislative grants and all franchises, licenses, permits, ordinances, easements, privleges, grants, immunities, contracts, agreements, and consents; all rights to construct, maintain and operate a system or systems for the generation, distribution and transmission of electricity; all public utility properties, real, personal and mixed, and all permits, rights, franchises, licenses and privileges appurtenant to all such public utility properties, and all additions, betterments, substitutions and extensions hereafter made to any and all of such public utility properties; parts or parcels of such real property and items of other property, being more specifically described and mentioned or enumerated in a schedule hereto annexed and marked "Schedule A", reference to said schedule for a more specific description and enumeration of the property therein described and enumerated, being hereby made with the same force and effect as if the same were incorporated herein at length; also any and all property which may from time to time, after the date of this Indenture, be delivered or which may by writing of any kind be conveyed, pledged, assigned or transferred to the Trustees by the Company or by any person or corporation to be held as part of the trust estate; and the Trustees are hereby authorized to receive any such property, and any such conveyance, pledge, assignment and transfer, as and for additional security hereunder and to hold and apply any and all such property subject to and in accordance with the terms of this Indenture;

Together with all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof; with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, product and profits thereof and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid premises, property rights and franchises and every part and parcel thereof.

It is hereby agreed by the Company that, except as hereinafter expressly excepted from the lien hereof, all property, rights and franchises acquired by the Company after the date hereof shall be as fully embraced within the lien hereof as if such property, rights and franchises were now owned by the Company and were specifically described herein.

Expressly Excepting And Excluding, However, from this Indenture and from the lien and operation thereof, all bills, notes and accounts receivable cash on hand or in bank; all bonds, obligations, evidences of indebtedness, shares of stock and other securities, and certificates or evidences of interest therein, not hereafter specifically transferred or assigned to or pledged or deposited with the Trustee hereunder or required by the provisions of this Indenture so to be; all motor cars, automobiles, motor busses and other rolling stock, and all consumable materials and supplies not installed as part of the fixed property of the Company; provided, however, that if upon the happening of a completed default, as hereinafter in this Indenture defined, the Trustees or either of them or any receiver appointed hereunder shall enter upon and take possession of the mortgaged property, the Trustees or either of them or such receiver may, to the extent permitted by law, at the same time likewise take possession of any and all of the property described in this paragraph, then on hand, and use and administer the same to the same extent as if such property were part of the mortgaged property, unless and until such completed default shall be remedied or waived and possession of the mortgaged property restored to the Company, its successors or assigns; and also

Expressly Excepting And Excluding from this Indenture and from the lien and operation hereof all merchandise and appliances acquired by the Company for the purpose of resale or leasing to its customers in the ordinary course and conduct of its business; also those certain parcels of real property now owned by the Company specifically described in Schedule B hereto annexed.

To Have and to Hold all said properties, real, personal and mixed, mortgaged, pledged or conveyed by the Company as aforesaid, or intended so to be, unto the Trustees and their respective successors and assigns forever;

Subject, however, to permitted liens as herein defined and to the exceptions and reservations in Schedule A hereto annexed recited.

In Trust Nevertheless, for the equal pro rata benefit and security of all and every of the bonds issued and to be issued hereunder in accordance with the provisions of this Indenture without preference, priority or distinction as to lien of any over the others by reason of priority in time of the issue, negotiation or maturity thereof; subject, however, to the provisions of this Indenture and of any supplemental indenture relating to any sinking fund or similar fund for the benefit of the bonds of any particular series or of the bonds or any portion thereof issued under this Indenture; it being intended that the lien and security of all of said bonds of all series issued or to be issued hereunder shall take effect from the execution and delivery of this Indenture, and that the lien and security of this Indenture shall take effect from the date of execution and delivery thereof as though all of the said bonds of all series were actually authenticated and delivered upon such date.

Provided, However, and these presents are upon the condition that if the Company, its successors, or assigns, shall pay or cause to be paid unto the holders of said bonds the principal and interest to become due in respect thereof, at the times and in the manner stipulated therein and herein, and shall keep, perform and observe all and singular the covenants and promises in said bonds and in this Indenture expressed as to be kept, performed and observed by or on the part of the Company, then this Indenture and the estate and rights hereby granted, shall cease, determine and be void, otherwise to be and remain in full force and effect.

It Is Hereby Covenanted, Declared And Agreed, by the Company, that all such bonds and coupons are to be issued, authenticated and delivered, and that all property subject or to become subject hereto is to be held subject to the further covenants, conditions uses and trusts hereinafter set forth, and the Company, for itself and its successors and assigns, doth hereby covenant and agree to and with the Trustees and their respective successor or successors in said trust, for the benefit of those who shall hold said bonds and interest coupons, or any of them, as follows:

ARTICLE 1.

Definitions.

Section 1. The terms specified in the next succeeding eight sections hereof, numbered from 2 to 9, both inclusive, shall, for all purposes of this Indenture (unless the context otherwise requires), have the meanings in such sections specified.

Section 2. The term "the Company" shall mean the party of the first part hereto, Mississippi Valley Public Service Company, and shall also include its successors and assigns. The term "the Trustee" shall mean First Wisconsin Trust Company, one of the parties of the second part hereto, and shall also include its successors in the trust hereby created. The term the "Co-Trustee" shall mean George B. Luhman, one of the parties of the second part hereto and shall also include his successors in trust hereby created. The term the "Trustees" shall mean as of any particular time the Trustee and the Co-Trustee as of such time, whether original or successors. The terms "the lien hereof" and "the lien of this Indenture" shall mean the lien created by these presents (including the after-acquired property clauses hereof) and the lien created by any concurrent or subsequent conveyance to the Trustees hereunder (whether made by the Company or any individual, copartnership, association or other corporation) effectively constituting any property a part of the security held by the Trustees upon the terms and trusts and subject to the conditions specified in this Indenture.

Section 3. The term "resolution" shall mean a resolution or a copy thereof, certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company. Anything in this Indenture to the contrary notwithstanding whenever any action is specified herein to be taken by the Board of Directors of the Company, such action may be taken by an executive committee or other committee of such Board of Directors of the Company, and whenever a certified copy of a resolution of the Board of Directors is required to be submitted by the terms of this Indenture, the Company may submit in lieu thereof, a certified copy of a resolution adopted by such executive committee or such other committee, provided such executive committee or such other committee has been properly elected or appointed in accordance with law and the by-laws of the Company and has the power requisite to take such action. The term "engineer" shall mean an individual or a copartnership or a corporation engaged in an en-

gineering business. The term "engineer's certificate" shall mean a certificate signed and verified by the President or a Vice President of the Company and by an engineer (who may be an employee of the Company) appointed by the Board of Directors of the Company and approved by the Trustee. The term "independent engineer's certificate" shall mean a certificate signed and sworn to by an engineer (who shall not be an employee of the Company) appointed by the Board of Directors of the Company and approved by the Trustee. The term "opinion of counsel" shall mean an opinion in writing signed by legal counsel (who may be of counsel of the Company) appointed by the Board of Directors of the Company and approved by the Trustee. The term "Treasurer's certificate" shall mean a certificate signed and verified by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company.

Section 4. The term "permanent additions" shall mean all property, real, personal or mixed (including therein, without in anywise limiting or impairing by the enumeration of the same, the scope and intent of the foregoing except as hereinafter specifically limited, lands, buildings, plants, power houses, dams, reservoirs, stations, lines, pipes, mains, cables, machinery, pumps, transmission lines, pipe lines, rights of way, distribution systems, sub-stations, transformers, service systems and supply systems, wires, poles, crossarms, apparatus of all kinds and description and improvements, extensions and additions) located within the State of Wisconsin, or the State of Minnesota connected with or possible of being connected with or operated as part of the Company's system, made, acquired, constructed or erected by the Company subsequent to November 1, 1938, or in the process of construction or erection in so far as actually constructed or erected subsequent to November 1, 1938, and used or to be used in the business of generating, manufacturing, storing, transporting, transmitting, distributing or supplying electricity.

The term "permanent additions" shall also include:

(1) Any electric light and/or power generating, transmitting and/or distributing property acquired as an entirety or substantially as an entirety, provided there shall have been received by the Trustee an engineer's certificate to the effect that such property is located in territory at the time served by the system or is possible of being connected with and operated as a part of the system within the State of Wisconsin or the State of Minnesota;

(2) Any manufactured gas property and/or natural gas distributing property, when acquired as an entirety or substantially as an entirety and in connection with the acquisition from the same vendor or vendors of electric generating, transmitting and/or distributing properties, provided there shall have been received by the Trustee an engineer's certificate to the effect that such manufactured gas property and/or natural gas distributing property is located in territory at the time served or possible of being served by the system within the State of Wisconsin or the State of Minnesota and that such electric generating transmitting and/or distributing properties are necessary and useful in the business of the Company, and within the provisions of this section hereinabove set forth, that the value and net earnings respectively of such manufactured gas property and/or natural gas distributing property so acquired do not in the aggregate exceed twenty per cent (20%) of the value and net earnings respectively of the aggregate properties at the time and from the same vendor or vendors acquired, and that the taking of such properties is necessary in order to acquire such electric properties for connection and operation as a

part of the Company's system, together with all additions of real, personal or mixed property to such properties, made, acquired, constructed or erected by the Company subsequent to their acquisition as aforesaid.

The term "permanent additions" shall not include:

(1) Any street railway or motor bus properties; or

(2) Any natural gas lands, or natural gas wells or equipment therefor, or natural gas leases or natural gas transmission lines to the point of junction with the Company's gas distribution system; or

(3) Any shares of stock, bonds, evidences of indebtedness or other securities or contracts; or

(4) Any stock of goods, wares and merchandise, equipment, materials or supplies acquired for the purpose of sale or resale in the usual course of business or for the purpose of consumption in the operation, construction or repair of any of the properties of the Company and not chargeable to capital investment in accordance with accepted accounting practices or in accordance with any classification of accounts prescribed by any commission or governmental authority to the jurisdiction of which the Company may at the time be subject; or motor cars; or

(5) Any property acquired, made or constructed by the Company in keeping or maintaining the mortgaged property in good repair, working order and condition or merely to renew or replace or in substitution for old, inadequate, obsolete or worn out property; provided, however, that whenever any such property is renewed or replaced by, or there is substituted for it, other property costing more than an amount equivalent to the cost of the property renewed or replaced or for which other property is substituted, then to the extent of such excess, and to such extent only, such property so acquired, made, constructed or erected shall be deemed permanent additions.

Section 5. The term "permitted liens" shall mean and include (a) mortgage or other liens upon easements or rights-of-way for transmission or distribution line purposes, which have not been made, created or assumed by the Company and on which it does not pay interest charges, (b) unrecorded liens for unpaid lienable liabilities for labor done, skill, material or machinery furnished in connection with the construction, alteration, repair, or removal of property of the Company, except such as may result from any delinquent obligation of the Company for payment of money on account of such construction, alteration, repair, or removal of property of the Company, (c) the lien of taxes for the then current year, (d) the lien of taxes and assessments not delinquent, and (e) the lien of taxes and assessments already due but the validity of which is being contested at the time by the Company in good faith, unless thereby in the opinion of counsel or of the Trustee any of the mortgaged property may be lost or forfeited.

The term "prepaid liens" shall mean and include any lien upon the property of the Company prior to the lien of this Indenture, moneys for the payment, satisfaction or redemption whereof have been deposited as provided in this Section. In case at any time there shall be outstanding any indebtedness which is secured by a lien, prior to the lien of this Indenture, upon permanent additions, or other property of the Company, the Company may deposit with the Trustee, to be held, until used or applied as hereinafter provided, or with such other banking institution and in such other manner as shall be satisfactory to the Trustee, a sum of money sufficient either (1) to pay the principal of said indebtedness and the interest thereon to its maturity, or (2) to effect the redemption of

such indebtedness before maturity, if the same is subject to redemption with interest to such redemption date. Upon any such deposit being made, said indebtedness shall, for all purposes of this Indenture except the application of said deposit as herein provided, be deemed to have been paid and shall not be deemed to be outstanding, provided, that in case of deposit to effect a redemption a sufficient call for such redemption, or provision satisfactory to the Trustee for making such call, shall first be made. Any such money so deposited shall be applied by the depositee with whom it shall have been deposited from time to time to the payment of the principal and interest or to the redemption of such indebtedness, or be repaid to the Company proportionately as such indebtedness shall be paid or reduced or ascertained by judicial determination or otherwise to be in whole or in part invalid, upon the filing with the depositee of a Treasurer's certificate, as herein defined, to the effect that such prepaid lien has been paid or reduced or ascertained by judicial determination or otherwise to be in whole or in part invalid and specifying the amount of payment or reduction or the extent of the invalidity, as the case may be, accompanied by a concurring opinion of counsel as herein defined.

Section 6. The term "gross operating revenues" shall mean and include all revenue derived from the operation of physical property owned or operated by the Company and all rentals received by the Company from property subject to the lien of this Indenture. The term "other income" shall mean all income of the Company derived from sources other than those from which the gross operating revenues are derived and shall include but not be limited to, income on bonds, stocks, other investments, accounts and notes receivable, interest on cash deposits and profit from merchandising of appliances and equipment.

The term "earnings applicable to bond interest" shall mean and include an amount computed as follows: From the gross operating revenues and other income of the Company from all sources, there shall first be eliminated (a) profit realized or loss sustained from the sale or other disposition of capital assets, and (b) such portion of the gross operating revenues derived from the operation of street railway and motor bus property and other income of the Company as shall be in excess of fifteen per cent (15%) of the aggregate of the gross operating revenues and other income of the Company from all sources, less the eliminations provided for in the foregoing Clause (a). There shall then be deducted all operating expenses, rentals, taxes (except as hereinafter provided), insurance charges, and actual expenditures for ordinary repairs and maintenance, but not including therein the proportionate amount of the total of such expenses and charges applicable to the operation of street railway and motor bus property as the amount of gross operating revenues derived from the operation of street railway and motor bus property eliminated in accordance with the foregoing clause (b) of the paragraph bears to the total gross operating revenues derived from the operation of street railway and motor bus property. Interest charges, income or other taxes imposed on income only after the deduction of interest charges, taxes on mortgage debt, state taxes refunded to bondholders, appropriations for reserves for renewals, replacements, retirements or depreciation, and amortization of debt and stock discount or premium and expense shall not be included in such deductions.

If any of the property owned by the Company, as herein defined (exclusive of property acquired in exchange or substitution for property released from the lien hereof, or through the use of cash deposited with the Trustee under any of the provisions hereof, other than cash deposited as a basis for the issue of bonds), at the time of making any "net earnings certificate" as hereinafter defined, shall not have been owned by it during

the period for which earnings applicable to bond interest are to be computed, or shall have been owned by it during a part only of such period, the net earnings or income of such property computed as herein provided during the whole of such period may, at the option of the Company, be included in "earnings applicable to bond interest" for all purposes of this Indenture.

The term "net earnings certificate" shall mean a certificate signed and sworn to by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company, stating the amount of "earnings applicable to bond interest" for a specified period, computed as provided in this Section, and showing, in reasonable detail, how the same has been calculated and to that end specifying:

1. The amount of the gross operating revenues of the Company with the principal divisions thereof and separately the amount of the other income of the Company and the total thereof after eliminating therefrom the items provided for in Clauses (a) and (b) of the second paragraph of this Section, and

2. The amount deducted therefrom on account of operating expenses of the Company with the principal divisions thereof.

Section 7. The term "cost" as applied to permanent additions and used in any certificate herein provided for, shall be computed as of any particular date to be the amounts paid or expended by the Company for such permanent additions, as herein defined, and added to the fixed capital accounts of the Company according to the pertinent classification of accounts prescribed by any commission or other governmental authority to the jurisdiction of which the Company may at the time be subject, or, in the absence of such governmental authority, according to accepted accounting practices, including the amount of any obligations incurred by the Company in connection with the acquisition or construction thereof. In the event that the Company shall at any time acquire any permanent additions in consideration, in whole or in part, of its own capital stock, the reasonable value of such stock may at the option of the Company, be included in the cost of such permanent additions. The reasonable value of any such stock shall be ascertained as follows: The Company shall appoint one or more persons, satisfactory to the Trustee, to determine the reasonable value of such stock on the date or dates of its delivery, which determination shall be evidenced by a certificate signed by such person or persons so appointed and filed with the Trustee, stating the reasonable value of such stock in the opinion of such person or persons. Such person or persons shall not be officers of the Company or be persons who are in the employ of the Company for any other purpose. Such certificate shall be conclusive evidence of the reasonable value of such stock for purposes of this Indenture.

The cost of any permanent additions comprising all or substantially all of the property and assets acquired by the Company as an entirety from any other corporation, may, at the option of the Company, include the cost to the Company of the acquisition of any stock or other securities of such corporation which is surrendered or cancelled, or surrendered for cancellation, by the Company in connection with the acquisition of the property and assets of such other corporation.

Section 8. The term "fair value" as applied to permanent additions and used in any certificate herein provided for shall mean the fair and reasonable value of such permanent additions at the date of acquisition, construction or erection or, if their value cannot be determined as of that date, then as of the nearest date subsequent to such acquisition, construction or erection on which such fair and reasonable value can be determined.

Section 9. The term "outstanding" used with reference to the bonds issued under this Indenture, shall mean as of any particular time all bonds which have been theretofore authenticated and delivered hereunder and which have not been cancelled or cremated by the Trustee or surrendered to the Trustee for cancellation or cremation, except bonds which have been called for redemption and to the credit whereof sums have been placed as provided in Article lX hereof, and bonds to the credit whereof sums have been placed as provided in Section 5 of Article XlX hereof, and except that in determining the bonds outstanding there shall not be included bonds at any time previously authenticated and delivered hereunder in lieu of, or in exchange and substitution for, any new bonds which have been authenticated and delivered, as provided in Section 15 of Article ll of this Indenture.

ARTICLE ll.

Form and Execution of Bonds.

Section 1. This Indenture creates a continuing lien to secure the full and final payment of the principal and interest of all bonds which may from time to time be made, issued, authenticated and delivered hereunder. The amount of bonds which may be so issued, authenticated and delivered hereunder, is not limited except that no further bonds shall be issued at any time if the total amount of bonds to be outstanding, after such issue, would in any event exceed the then limit of indebtedness, if any of the Company permitted by law or authorized from time to time by the stockholders and/or directors of the Company in the manner required by law; provided that the aggregate principal amount of bonds that may be issued, authenticated and delivered hereunder and/or the aggregate principal amount of bonds of any particular series that may be issued, authenticated and delivered hereunder, may at any time at the election of the Company, evidenced from time to time by an indenture supplemental hereto executed by the Company and delivered to the Trustees reciting that it has been authorized by a resolution adopted by the Board of Directors of the Company, be limited to such definite amount of all bonds, or of bonds of such particular series, as the case may be, then outstanding hereunder, as may be specified in such supplemental indenture.

At the option of the Company, the bonds issued hereunder may be issued in one or more series. All bonds issued hereunder of any one series shall be identical in form and language except for necessary or proper variations between temporary bonds, coupon bonds and registered bonds without coupons or bonds of different denominations and, in the case of bonds of any series of serial maturity as to the date of maturity, and the price, terms and conditions of redemption thereof. Each series shall have such distinctive designation as the Board of Directors of the Company may select for such series, and each bond issued hereunder shall bear upon the face thereof the deisgnation so selected for the series to which it belongs. All the bonds to be issued under this Indenture, together with the coupons appertaining thereto, shall be expressed in the English language. The general form of the bonds of each series, issued hereunder, other than the 4% Series due 1963, mentioned in Section 2 of this Article shall be established at the time of the creation of the series by resolution of the Board of Directors of the Company, provided, however, that, subject to the qualifications contained in the fifteen next succeeding sections of this Article numbered from 2 to 16 both inclusive, the text of the coupon bonds and of the registered bonds without coupons to be issued under this Indenture, and of the coupons appertaining to the coupon bonds, and of the certificate of the Trustee upon all bonds, shall be respectively substantially of the tenor and purport of the general forms of bonds, coupons and Trustee's certificate hereinbefore recited; and provided further that

the bonds of any series whether temporary, coupon or registered without coupons and the coupons to be attached to the coupon bonds may contain such other terms, provisions, specifications and descriptive words, and may have such letters, words, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon not inconsistent with the privisions hereof as may be necessary or proper to comply with the rules of any broker's board or exchange or with the order of any governmental body having jurisdiction in the premises, or to conform to usage with respect thereto or as may be desired by the Board of Directors of the Company. Before any bonds of any series other than the 4% Series due 1963 hereinafter provided for in Section 2 of this Article shall be authenticated or delivered by the Trustee a certified copy of the resolution or resolutions creating the series shall be delivered by the Company to the Trustee. The Company shall also deliver to the Trustees a supplemental indenture in form to be recorded containing the particulars of the new series of bonds as above set forth and containing appropriate provisions giving to such bonds the protection and security of this Indenture.

Section 2. There is hereby created, for issuance hereunder, a series of bonds designated 4% Series due 1963, which shall bear the descriptive title "First Mortgage Bond, 4% Series due 1963" and the form thereof shall contain suitable provisions with respect to the matters hereinafter in this Section specified. The coupon bonds and the coupons appertaining thereto and the registered bonds without coupons of said series shall be respectively substantially of the tenor and purport hereinbefore recited. The bonds of said series shall mature November 1, 1963, and shall be issued as coupon bonds in the denomination of $1,000, and as registered bonds without coupons in denominations of $1,000, $5,000, $10,000 and any multiple or multiples of $10,000. The bonds of said series shall bear interest at the rate of four per cent (4%) per annum payable semi-annually on May 1 and November 1 of each year, and the principal shall be payable at the office of the Trustee at Milwaukee, Wisconsin, or at the option of the holder or owner at the agency of the Company in the Borough of Manhattan, City and State of New York, in coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, and the interest shall be payable in like coin or currency at the option of the holder or owner either at said office of the Trustee at Milwaukee, Wisconsin, or at the agency of the Company in the Borough of Manhattan, City and State of New York. Coupon bonds of said series shall be dated as of November 1, 1938, and registered bonds without coupons of said series shall be dated as in Section 9 in this Article provided.

The bonds of said series shall be redeemable, other than for the Sinking and Improvement Fund provided for bonds of said series, at the option of the Company as a whole or in part on any date upon not less than thirty days' previous notice by publication to be given in the manner provided in Section 2 of Article lX hereof at the principal amount thereof and accrued interest thereon to the date of redemption, and premiums on the principal amounts thereof as follows:

6½% if redemption be effected prior to November 1, 1942;

6% if redemption be effected on or after November 1, 1942 and prior to November 1, 1943;

5½% if redemption be effected on or after November 1, 1943, and prior to November 1, 1944;

5% if redemption be effected on or after November 1, 1944, and prior to November 1, 1945;

4½% if redemption be effected on or after November 1, 1945, and prior to November 1, 1946;

4% if redemption be effected on or after November 1, 1946, and prior to November 1, 1947;

3½% if redemption be effected on or after November 1, 1947, and prior to November 1, 1948;

3% if redemption be effected on or after November 1, 1948, and prior to November 1, 1949;

2½% if redemption be effected on or after November 1, 1949, and prior to November 1, 1950;

2¼% if redemption be effected on or after November 1, 1950, and prior to November 1, 1951;

2% if redemption be effected on or after November 1, 1951, and prior to November 1, 1952;

13/4% if redemption be effected on or after November 1, 1952, and prior to November 1, 1953;

1½% if redemption be effected on or after November 1, 1953, and prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956, and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

¼% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961.

The bonds of said series are entitled to the benefit of the Sinking and Improvement Fund provided for in Article XI hereof and are subject to call for redemption for such Sinking and Improvement Fund at the prices, upon the notice, in the manner, and with the effect, provided in said Article XI.

The bearer or registered owner of any coupon bond or bonds of said series of the denomination of $1,000, at his option may surrender the same with all unmatured coupons thereto appertaining at the office of the Trustee, at Milwaukee, Wisconsin, or at the agency of the Company, in the Borough of Manhattan, City and State of New York, for cancellation, in exchange for a registered bond or bonds without coupons of the said series of the denominations of $1,000, $5,000, $10,000 or any multiple or multiples of $10,000, but of an aggregate principal amount equal to the aggregate principal amount of the coupon bonds so surrendered, bearing interest from the next preceding interest date (unless issued on an interest payment date and in that event, bearing interest from said date); and upon payment, if the Company shall so require, of the charge therefor as provided in Section 11 of this Article, the Company shall execute and deliver to the Trustee and the Trustee shall authenticate and deliver in exchange therefor a registered bond or bonds of said series of the required principal amount; and in like manner registered

bonds without coupons of the said series may at the option of the registered owner thereof be surrendered at either of the places hereinbefore mentioned, together with a written instrument of transfer in the form approved by the Company duly executed by the registered owner, in exchange for coupon bonds of the said series of the denomination of $1,000 each, of an aggregate principal amount equal to that of the bonds so surrendered and having attached thereto all unmatured coupons and matured coupons provision for the payment of which has not been made thereto appertaining.

The registered owner of any registered bond or bonds without coupons of the said series at his option may surrender the same with other registered bonds without coupons of the said series at the office of the Trustee at Milwaukee, Wisconsin, or at the agency of the Company in the Borough of Manhattan, City and State of New York, for cancellation, in exchange for other registered bonds without coupons of the said series of higher or lower authorized denominations, but of the same aggregate principal amount upon payment, if the Company shall so require, of the charge therefor provided in Section 11 of this Article. Thereupon the Company shall execute and deliver to the Trustee and the Trustee shall authenticate and deliver such other registered bonds to such registered owner at its office or any other place specified as aforesaid.

The Company shall not be obligated to make any exchange of registered bonds of the said series for coupon bonds or other registered bonds of the same series for a period of ten (10) days next preceding any interest payment date.

Section 3. Subject to the provisions of Section 2 of this Article as to the bonds of 4% Series due 1963, the principal and/or interest of the bonds of any series to be issued hereunder at the option of the Company may be made payable at such place or places as shall be set for in such bonds.

Section 4. At the option of the Company, provision may be made with respect to the bonds of any series for the payment of the principal thereof or interest thereon or both without deduction for taxes and as to what, if any, taxes shall be reimbursed in case of payment by the bondholder. Such provision may be limited to taxes imposed by any taxing authorities of a specified class and may exclude from its operation, or be limited to, any specified tax or taxes or any portion thereof. In cases in which any provision permitted by this Section shall be made in any bond, an appropriate insertion may be made in the coupons annexed thereto.

Section 5. Subject to the provisions of Section 2 of this Article with respect to the bonds of 4% Series due 1963, the dates of issue, dates of maturity, rates of interest and the provisions for registration as to principal of the coupon bonds of any denomination or denominations that may be made registerable as to principal of the bonds of each series issued hereunder from time to time, the designation of the series, and the descriptive title of the bonds included therein and the terms and conditions, if any, upon which the Company may redeem any of such bonds before maturity, shall be such as may be designated in the form established for such series in accordance with the provisions of Section 1 of this Article.

Section 6. The Company may, in the bonds of any series (other than 4% Series due 1963), stipulate and agree that the principal of such bonds may be converted, at the option of the holders, into the capital stock or other securities, of any class, of the Company, or of any successor corporation, upon such terms and conditions as the Board of Directors may determine and may cause appropriate insertions to be made in the text of such bonds for the purpose of stating such agreement with respect to conversion and the terms and conditions thereof.

The Company may likewise, if and to the extent permitted by law, at any time hereafter, make suitable provision for the conversion of the bonds of 4% Series due 1963, at the option of the holders thereof, into capital stock or other securities of any class of the Company or of any successor corporation, in such manner and upon such terms and conditions, and during such period or periods, as may be determined by the Board of Directors of the Company at the time of making such provision.

Section 7. The Company may, at the time of creation of any series, make suitable provision, in such manner as may be determined by the Board of Directors not inconsistent with the provisions hereof, and subject to the provisions of Section 15 of Article Vlll hereof, for the payment to the Trustee as or toward a sinking fund or similar fund for the payment, redemption, acquisition or retirement in any manner of the bonds of such series and/or may provide, at any time, in such suitable manner as may be determined by the Board of Directors not inconsistent with the provisions hereof, and subject to the provisions of Section 15 of Article Vlll hereof, for the creation of a sinking fund or similar fund for the payment, redemption, acquisition or retirement in any manner of the bonds, or any portion thereof, issued under this Indenture.

The provisions of the Sinking and Improvement Fund provided for bonds of the 4% Series due 1963 are set forth in Article Xl of this Indenture.

Section 8. Subject to the provisions of Section 2 of this Article with respect to bonds of 4% Series due 1963, the bonds of any series issued pursuant to the provisions of this Indenture may, at the election of the Company, be executed, and authenticated and delivered originally either as coupon bonds or as registered bonds without coupons. Coupon bonds may be issued in denominations of $1,000, registerable or not registerable as to principal, as the Board of Directors of the Company may from time to time authorize. Registered bonds without coupons may be issued in denominations of $1,000 and such multiples thereof as the Board of Directors of the Company may from time to time authorize.

Section 9. Every registered bond without coupons shall be dated as of the interest payment date, of the bonds of the series of which it is one, next preceding the date of issue thereof, unless issued on an interest payment date, in which event it shall be dated as of such date and shall bear interest from its date, or if issued prior to the first interest payment date of the bonds of the series of which it is one, in which event it shall be dated as of the date of the coupon bonds of such series.

Section 10. Subject to the provisions of Section 2 of this Article with respect to the bonds of 4% Series due 1963, the bonds of any series, at the option of the Company, may contain provisions permitting the exchange or interchange of bonds in any or all of the particulars hereinafter in this Section specified, to wit: the exchange or interchange of coupon bonds for or with registered bonds without coupons; the exchange or interchange of registered bonds without coupons for or with coupon bonds; and the exchange or interchange of registered bonds without coupons for or with registered bonds without coupons of other denomination or denominations. Such privileges of exchange or interchange may in any case be made subject to any conditions, limitations or restrictions which the Company shall cause to be specified in the bonds so made exchangeable or interchangeable and the privilege of exchange or interchange may in any case be conferred upon the holders of bonds of one or more denominations and withheld from the holders of bonds of other denominations of the same series.

Section 11. In all cases of exchanges of bonds contemplated by the next preceding section hereof, the bonds to be exchanged shall be surrendered at the office or agency of the Company in such place or places as shall be designated for the purpose in

such bonds with all unmatured coupons thereto appertaining (in the case of coupon bonds) and the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the bond or bonds which the bondholder making the exchange shall be entitled to receive. All bonds so surrendered for exchange and the coupons appertaining thereto shall be cancelled by the Trustee, provided that in the event that any registered bonds without coupons of any series shall be issued by the Company providing either upon the face thereof or in a legend endorsed thereon for the exchange thereof for or interchange with coupon bonds of the same series of numbers specified in such registered bonds or in such legend endorsed thereon, the coupon bonds bearing such numbers surrendered in exchange for such registered bonds may be held uncancelled by the Trustee or a new coupon bond or bonds of the same series denomination and number may be executed and authenticated and held by the Trustee for the purpose of re-exchange for the registered bond or bonds having the corresponding numbers endorsed thereon. Upon every exchange of bonds (including transfers of registered bonds without coupons under the provisions of Section 12 of this Article), the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange and in addition may charge a sum not exceeding Two dollars ($2) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange. The Company shall not be obligated to make exchanges of bonds for a period of ten (10) days next preceding any interest payment date.

Section 12. The Company shall keep at the office of the Trustee and at its office or agency in such place or places, if any, as shall be designated for the purpose in any bond issued hereunder, books for the registration and transfer of bonds issued hereunder, which, at all reasonable times, shall be open for inspection by the Trustee, and, upon presentation for such purpose at any such office or agency, the Company will register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any bonds issued under this Indenture and entitled to registration or transfer at such office or agency. Upon the transfer of any registered bond without coupons the Company shall issue in the name of the transferee or transferees a new registered bond or new registered bonds of like form and the Trustee shall authenticate and deliver the same to him or them. The Company shall not be required to make transfers of bonds as provided in this Section for a period of ten (10) days next preceding any interest payment date.

Section 13. All bonds issued hereunder shall, from time to time, be executed on behalf of the Company by its President or one of its Vice Presidents and its corporate seal shall be thereunto affixed, or printed, lithographed, or engraved thereon, in facsimile, and attested by its Secretary or one of its Assistant Secretaries. The coupons to be attached to coupon bonds shall bear the facsimile signature of the present or any future Treasurer of the Company. In case any of the officers who shall have signed any bonds or attested the seal thereon or whose facsimile signature shall be borne by the coupons attached to any bond shall cease to be such officers of the Company before the bonds so signed and sealed shall have been actually authenticated by the Trustee, or delivered by the Company, such bonds nevertheless may be issued, authenticated and delivered with the same force and effect as though the person or persons who signed such bonds and attested the seal thereon or whose facsimile signature is borne by the coupons attached thereto had not ceased to be such officer or officers of the Company. Any bond issuable hereunder may be signed or attested in behalf of the Company by such person as at the actual date of

the execution of such bond shall be the proper officer of the Company, although at the date of such bond such person shall not have been an officer of the Company. Before authenticating any coupon bonds the Trustee shall cut off, cancel and deliver to the Company or cremate all matured coupons thereto attached, except the coupons representing interest due but unpaid on registered bonds without coupons delivered in exchange for such coupon bonds, authentication of which is requested.

Section 14. Until definite bonds are ready for delivery, there may be authenticated and delivered and issued in lieu of any thereof, temporary printed, lighographed or typewritten bonds substantially of the tenor of the bonds hereinbefore described, with appropriate variations, omissions and/or insertions, and such temporary bonds may be of such denomination or denominations, and may be in bearer form with one or more or without any coupons, registerable or not registerable as to principal, and/or in registered form without coupons, and with such privileges of exchangeability as the Company may determine. Until exchanged for definite bonds, such temporary bond or bonds shall be entitled to the lien and benefit of this Indenture. Without unnecessary delay the Company will execute and will furnish the definitive bonds to be exchanged for such temporary bonds upon surrender thereof to the Trustee or at the option of the holder at the agency of the Company, in the Borough of Manhattan, City and State of New York. Upon such exchange, which the Company shall make without any charge therefor, such temporary bonds and any unmatured coupons attached thereto shall be destroyed by the Trustee, and upon the exchange of all said bonds a certificate of such destruction shall be delivered to the Company. When and as interest is paid upon temporary bonds without coupons the fact of such payment shall be noted thereon. Until such definitive bonds are ready for delivery, the holder of one or more temporary bonds may, if so provided by the terms thereof, exchange the same on the surrender thereof with all unmatured coupons, if any, attached, to the Trustee for cancellation, and shall be entitled to receive temporary bonds of like aggregate principal amount of such other denomination or denominations as the Company may determine to issue in exchange.

Definitive registered bonds, without coupons, may be printed on steel engraved borders or may be issued in fully engraved form. Definitive coupon bonds shall be issued in fully engraved form only.

Section 15. Upon receipt by the Company and the Trustee of evidence satisfactory to them, of the loss, destruction, or multilation or theft of any outstanding bond hereby secured, and of indemnity satisfactory to them, and upon surrender and cancellation of such bond if mutilated, and the coupons appertaining thereto, if any, the Company may execute, and the Trustee may authenticate and deliver, a new bond of like tenor and of the same series, bearing the same serial number as the lost, destroyed, mutilated or stolen bond.

Section 16. Subject to the qualifications hereinbefore set forth, the bonds and coupons to be secured hereby shall be substantially of the tenor and effect hereinbefore recited, and no bonds shall be secured hereby unless there shall be endorsed thereon the certificate by the Trustee, substantially in the form hereinbefore recited, that it is one of the bonds (or temporary bonds) herein described; and such certificate on any such bond shall be conclusive evidence that such bond has been duly authenticated and delivered and is secured hereby.

ARTICLE lll.
Initial Issue of Bonds

Bonds of the aggregate principal amount of Two Million One Hundred Thousand

($2,100,000), being bonds of the 4% Series due 1963, hereinbefore described, shall forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee, and delivered (whether before or after the filing or recording hereof), from time to time, in accordance with the order or orders of the Company, evidenced by a writing or writings signed by its President or a Vice President but only on deposit by the Company with First Wisconsin Trust Company, as Trustee, under Indenture of Mortgage made by the Company to First Wisconsin Trust Company and George B. Luhman, as Trustees, dated December 1, 1932 of (a) an amount of cash sufficient for the redemption on December 1, 1938 of Two Million ($2,000,000) Dollars principal amount of First Mortgage 5% Gold Bonds issued under said Indenture of Mortgage dated December 1, 1932; (b) an irrevocable authorization and instruction to said Trustee to give or continue the notice of redemption required by the terms of said Indenture of Mortgage for the redemption of such bonds on December 1, 1938, and (c) a certified copy of a resolution of the Board of Directors of the Company authorizing the redemption of such bonds on December 1, 1938.

ARTICLE lV.
Provisions Applicable Generally to Issuance of All
Additional Bonds.

Section 1. No bonds in addition to those provided for in Section 15 of Article ll and in Article lll hereof shall be authenticated and delivered hereunder by the Trustee unless the Trustee shall have received prior to or at the time of the authentication and delivery thereof:

(1) A written request or application dated not more than ninety days preceding the date of the authentication and delivery of bonds then applied for, executed in the name of the Company by the President or a Vice President of the Company stating the principal amount, denomination and form (whether coupon or registered) of the bonds requested to be authenticated and delivered, the series thereof, and the person or persons to whom or upon whose order such bonds are to be delivered;

(2) A resolution, as herein defined, authorizing such request or application;

(3) An opinion of counsel, as herein defined, that no consent of any governmental authorities is requisite to the legal issue of the bonds the authentication and delivery of which have been applied for, or that the issue of such bonds has been duly authorized by any and all governmental authorities, the consent of which is requisite to the legal issue of such bonds, specifying any officially authenticated certificates or other documents by which such consent is or may be evidenced, and that all mortgage, registration and/or other like taxes in respect of the bonds applied for have been paid, or that provision for the payment thereof has been made or that no such payment is required by law, and that the indebtedness which may be incurred by the Company is not then limited by law or by any corporate action limiting the total authorized indebtedness of the Company, or that the total amount of outstanding indebtedness of the Company, stated in the accompanying Treasurer's certificate provided for in subdivision (4) of this Section, plus the aggregate principal amount of the bonds applied for in the accompanying application of the Company, does not exceed the amount of indebtedness of the Company as then limited by law or by such corporate action, and that all corporate action necessary to be taken by the Company

to permit the legal and valid issue and authentication and delivery of the bonds which have been applied for has been duly had and taken;

(4) Unless the opinion of counsel provided for in the foregoing subdivision (3) shall state that the amount of indebtedness which may be incurred by the Company is not then limited by law or by such corporate action, then a Treasurer's certificate, as herein defined, stating that the total amount of indebtedness of the Company outstanding, including the aggregate face amount of bonds issued and outstanding under this Indenture does not exceed an amount which shall be specified in the certificate;

(5) The officially authenticated certificates or other documents, if any, specified in the opinion of counsel provided for in subdivision (3) above including evidence satisfactory to the Trustee of the payment or provision for payment of any taxes therein referred to;

(6) If the bonds, the authentication and delivery of which are applied for, are not a part of any series then existing, the resolution or resolutions, as herein defined, and a supplemental indenture creating the series of which such bonds are a part.

Section 2. No bonds in addition to those provided for in Section 15 of Article ll and in Article lll hereof shall be authenticated and delivered hereunder by the Trustee except in accordance with the provisions of Article V and/or Article Vl and/or Article Vll hereof, nor shall any bonds be authenticated or cash withdrawn at any time when the Trustee has knowledge that the Company is in default under any of the provisions of this Indenture.

ARTICLE V.

Issuance of Bonds Upon the Basis of Permanent Additions.

Section 1. Subject to the provisions of Sections 1 and 2 of Article lV hereof, bonds in addition to those provided for in any other section hereof may from time to time be executed by the Company and delivered to the Trustee and shall be authenticated and delivered by the Trustee upon the basis of the acquisition or construction of permanent additions, as herein defined. Such additional bonds, however, shall be authenticated and delivered only in accordance with and subject to the conditions, provisions and limitations set forth in the next succeeding four sections of this Article numbered from 2 to 5, both inclusive.

Section 2. No bonds shall be authenticated and delivered at any time under the provisions of this Article upon the basis of the acquisition or construction of:

(a) any property not included within the definition of permanent additions contained in Section 4 of Article 1 hereof; or

(b) any property which has previously been made the basis for the authentication and delivery of bonds hereunder, or for the withdrawal of cash under Section 2 of Article Vll hereof; or

(c) any property which has previously been made the basis for the withdrawal under Section 5 of Article Vlll hereof or under Section ll of Article X hereof, of cash representing either insurance moneys received or the proceeds of property released from the lien hereof (unless such cash shall have been the proceeds, including insurance moneys, of property not owned by the Company on November 1, 1938, and not made the basis for the issuance of bonds hereunder or the withdrawal of cash or the release of property or used as a credit in lieu

of the deposit of cash under any of the provisions hereof subsequent to November 1, 1938); or

(d) any property which has previously been made the basis for the release of property under the provisions of Section 3 of Article X hereof; or

(e) any substituted property acquired by the Company in exercise by it of any right which it may have to apply the proceeds of property theretofore subject to the lien hereof sold or exchanged, to the acquisition of such substituted property, without depositing such proceeds with the Trustee hereunder; or

(f) any property which has been used by the Company as a credit against any amounts that otherwise would be payable to the Trustee hereunder for the Sinking and Improvement Fund provided for in Article Xl hereof; or

(g) any property, subject to any lien prior to the lien of this Indenture, except permitted liens and/or prepaid liens, as herein defined;

provided, that any permanent additions as defined in Section 4 of Article 1 hereof, included within the terms of clauses (d), (e) or (f) of this Section, acquired in exchange for or with the proceeds (including insurance money) of property not owned by the Company on November 1, 1938, and not made the basis for the issuance of bonds or the withdrawal of cash or the release of property or used as a credit in lieu of the deposit of cash hereunder, subsequent to November 1, 1938, shall not be excluded by the provisions of this Section as a basis for the issuance of bonds.

Any permanent additions, which shall have been certified to the Trustee at any time or shall have been specified or described in any certificate delivered to the Trustee in accordance with any of the provisions of this Indenture as a basis for the authentication and delivery of bonds or the withdrawal of cash under any of the provisions of this Indenture, of a cost or fair value, whichever shall be less, in excess of the amount thereof required by such provisions of this Indenture shall be available to the extent of such excess upon any subsequent application as a basis for the authentication and delivery of bonds or the withdrawal of cash under any of the provisions of this Indenture, upon delivery to the Trustee of an engineer's certificate as herein defined, stating that such excess property has not been used in such manner as to disqualify it as a basis for the issuance of bonds or the withdrawal of cash.

Section 3. No bonds shall be authenticated and delivered under the provisions of this Article upon the basis of the acquisition or construction of any permanent additions until the cost of such permanent additions and the fair value, or in the case of permanent additions comprising an operating public utility property acquired as an entirety, the reproduction cost less depreciation thereof shall have been certified to the Trustee as hereinafter in Section 5 of this Article provided, and the Trustee shall not authenticate and deliver under the provisions of this Article bonds in principal amount exceeding seventy per cent (70%) of the cost, as herein defined, or of such value (whether fair value, or in a proper case, reproduction cost less depreciation be so certified) whichever is less, of the permanent additions forming the basis of such authentication and delivery after deducting from such cost or fair value, as the case may be, all amounts removed from the fixed capital accounts of the Company as and for the cost to the Company of any property, except street railway and motor bus properties (without the restriction as to date of acquisition, construction or erection) removed from service or abandoned during the period from November 1, 1938, to a date not more than ninety (90) days preceding the date of the authentication and delivery of the bonds then applied for, which has not been replaced or off-set either (1) by the acquisition or other permanent

additions, in respect of which no bonds have been or will be issued, or cash withdrawn, or property released, or credit taken, under any of the provisions of this Indenture, or (2) by the deposit with the Trustee of cash or obligations secured by purchase money first mortgage upon any such property released; and provided further that any such amounts which shall have been once deducted from the cost or fair value of permanent additions included in a certificate delivered to the Trustee hereunder, upon any application to the Trustee for the authentication and delivery of bonds or the withdrawal of cash or the release of property under any of the provisions of this Indenture or for the establishment of a credit to the Sinking and Improvement Fund need not thereafter be again deducted on any such subsequent application.

Section 4. No bonds shall be authenticated and delivered under this Article unless as shown by a net earnings certificate, as herein defined, the earnings applicable to bond interest, as herein defined, for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding the date of any application for authentication and delivery of bonds shall have been in the aggregate at least equivalent to twice the interest requirements for a period of one year upon (a) the bonds applied for, (b) all bonds outstanding, as herein defined, hereunder on the date of such application and (c) all other indebtedness of the Company outstanding on the date of such application, except such as is to be paid or refunded out of the proceeds of the bonds applied for.

Section 5. No application by the Company to the Trustee for the authentication and delivery of bonds under this Article shall be granted by the Trustee, until the Trustee shall have received:

(1) The documents provided for in Section 1 of Article lV.

(2) An engineer's certificate, as herein defined, dated not more than ninety days preceding the date of the authentication and delivery of bonds then applied for, briefly describing the permanent additions made the basis of the application and stating that they are permanent additions, as defined in Section 4 of Article 1 hereof, that they are desirable for use in the conduct of the Company's business, and that they do not consist in whole or in part of properties which under the provisions of Section 2 of this Article are not permitted to be made the basis of the authentication and delivery of bonds; and stating separately the cost, as herein defined, and (except as to permanent additions of the character described in subdivision (3) of this Section) the fair value of such permanent additions; and stating the amounts removed from the fixed capital accounts of the Company as and for the cost to the Company of any property except street railway and motor bus properties (without the restrictions as to date of acquisition, construction or erection) removed from service or abandoned during the period from November 1, 1938, to a date not more than ninety (90) days preceding the date of the authentication and delivery of the bonds then applied for, which has not been replaced or off-set either (1) by the acquisition of other permanent additions in respect of which no bonds have been issued, or cash withdrawn, or property released, or credit taken under any of the provisions of this Indenture or (2) by the deposit with the Trustee of cash or obligations secured by purchase money first mortgage upon any such property released, less such amounts as have been theretofore deducted from the cost or fair value of other permanent additions included in a certificate previously delivered to the Trustee upon any application for the authentication and delivery

of bonds hereunder or the withdrawal of cash or the release of property under any of the provisions of this Indenture or for the establishment of a credit to the Sinking and Improvement Fund; and stating what part, if any, of such permanent additions included in any certificate provided for in this subdivision (2) of this Section consist of an operating public utility property which has been acquired as an entirety. If any permanent additions of an operating public utility property which has been acquired as an entirety, the cost thereof upon the basis of which bonds may be authenticated under this Article may include the cost of any rights and intangible property simultaneously acquired with the same, for which no separate or distinct consideration shall have been paid or apportioned.

(3) In case any permanent additions are shown by the engineer's certificate provided for in subdivision (2) of this Section to consist of an operating public utility property which has been acquired as an entirety, and independent engineer's certificate, as herein defined similarly dated, describing such property in reasonable detail, and stating the reproduction cost thereof less depreciation, and further containing a brief statement of the considerations governing the signer's determination of such value thereof.

(4) A net earnings certificate, as herein defined, specifying the earnings applicable to bond interest for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding the date of the accompanying application for authentication and delivery of bonds and stating the aggregate principal amount of the bonds and other indebtedness mentioned in clauses (a), (b) and (c) of Section 4 of this Article and the interest requirements on such bonds and other indebtedness for a period of one year.

(5) An opinion of counsel, as herein defined, stating (a) either that the Company has title to or that upon the delivery of instruments of conveyance, assignment and/or transfer specified in the opinion, the Company will have title to the permanent additions (other than paving, grading and other improvements to public highways) forming the basis of the accompanying application, subject to no liens for the payment of money, or its equivalent, prior to the lien of this Indenture, except permitted liens and/or prepaid liens, as herein defined, and (b) that all of such permanent additions are subject to the lien of this Indenture, or in the alternative, stating what, if any, documents should be delivered and/or recorded and/or filed to subject such property to the lien of this Indenture, and (c) that the Company has corporate authority and all necessary permission from governmental authorities to own and, except as to properties for which the Company has no valid franchise, to operate the permanent additions in respect of which the application is made.

(6) The instruments of conveyance, assignment and transfer, if any, specified in such opinion of counsel, in accordance with clause (a) of the foregoing subdivision (5), or evidence satisfactory to the Trustee of the delivery thereof to the Company, and the documents, if any, stated in such opinion of counsel in accordance with clause (b) of the foregoing subdivision (5), or evidence satisfactory to the Trustee of the delivery or recording or filing thereof.

ARTICLE Vl.

Issuance of Bonds Upon Retirement of Bonds Secured Hereby Previously Outstanding.

The Company may from time to time issue and the Trustee shall authenticate and deliver, subject to the provisions of Sections 1 and 2 of Article lV hereof, bonds hereby

secured in addition to those provided for in any other Section hereof, in an aggregate principal amount not exceeding the aggregate principal amount of any bonds previously issued hereunder which shall have been retired, provided that (a) no bond shall be issued in respect of any such retired bond more than one year prior to the regular maturity (by lapse of time and not by call for redemption) of such retired bond unless the bond so issued bears no greater rate of interest than such retired bond, or, if the bond so issued bears a greater rate of interest than such retired bond, unless the Trustee shall have received a net earnings certificate complying with Section 4 of Article V hereof, and (b) no bond shall be issued in respect of any such retired bond which shall have been retired (1) through the use of cash deposited with the Trustee pursuant to the provisions of Article Vll hereof, (2) through the use of cash or in lieu of the deposit of cash representing either insurance moneys received or the proceeds of property released from the lien hereof (unless such cash shall be the proceeds, including insurance moneys, of property not owned by the Company on November 1, 1938, and not made the basis for the issuance of bonds hereunder or the withdrawal of cash or the release of property or used as a credit in lieu of the deposit of cash under any of the provisions hereof subsequent to November 1, 1938), or (3) through the use of cash or in lieu of the deposit of cash pursuant to the provisions of the Sinking and Improvement Fund provided for in Article Xl hereof or other similar fund applicable to its retirement. Any bond previously issued under this Indenture shall be deemed to have been retired if it shall have been paid or redeemed or surrendered to the Trustee and cancelled or cremated (unless such surrender shall have been made in exchange for another bond or bonds of the same series issued hereunder and evidencing the same indebtedness) or if the money necessary to effect the payment or redemption shall have been deposited for that purpose with the Trustee hereunder, and in the case of redemption if it shall have been called or provision satisfactory to the Trustee shall have been made for its call for payment on the redemption date.

ARTICLE Vll.

Issuance of Bonds Upon Deposit of Cash With Trustee

Section 1. Subject to the provisions of Sections 1 and 2 of Article lV hereof, the Trustee shall from time to time authenticate and deliver bonds upon deposit with the Trustee by the Company of cash equal to the principal amount of the bonds requested to be authenticated and delivered but only after the Trustee shall have received a net earnings certificate, as herein defined, from which it shall appear that the earnings applicable to bond interest, as herein defined, for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding the date of the application for authentication and delivery of bonds shall have been in the aggregate at least equivalent to twice the interest requirements for a period of one year upon (a) the bonds applied for, and (b) all bonds outstanding, as herein defined, hereunder on the date of such application and (c) all other indebtedness of the Company outstanding on the date of such application, except such as is to be paid or refunded out of the proceeds of the bonds applied for.

Section 2. All cash deposited with the Trustee under the provisions of the next preceding Section hereof shall be held by the Trustee as a part of the mortgaged and pledged property, but whenever the Company shall become entitled to the authentication and delivery of a bond or bonds under any of the provisions of this Indenture (other than those contained in the next preceding section) and for the purposes of this section, without regard to the earnings applicable to bond interest, the Trustee, upon the application of the Company, evidenced by a resolution, as herein defined, shall pay over to the Company or upon its order, in lieu of each bond to the delivery of which the Company may then be so entitled, a sum in cash equal to the principal amount of one such bond; provided, however, that for the purpose of withdrawing cash, pursuant to the provisions of this Section, the certificates and other documents delivered to the Trustee for the purpose of withdrawing cash under this Section may contain such variations, omissions and insertions from or in the certificates required to be delivered to the Trustee for the purpose of procuring the authentication and delivery of bonds as may be appropriate in the light of the purpose for which thay are used and in no case shall it be necessary for the Company to deliver to the Trustee any net earnings certificate or any of the documents provided for in Section 1, of Article lV hereof.

Section 3. If, at any time, the Company shall so direct, any sums deposited with the Trustee under the provisions of Section 1 of this Article may be withdrawn in the same manner and for the same purposes and subject to the same conditions, as moneys in the Release Fund provided for in Article X hereof, except that reimbursement for expenditures incurred in acquiring or construction permanent additions shall be permitted only to the extent of seventy per cent (70%) of such expenditures instead of to the full amount of such expenditures as provided in Section 11 of Article X.

ARTICLE Vlll.

Particular Covenants of the Company.

The Company hereby covenants as follows:

Section 1. That it is lawfully possessed of all the aforesaid mortgaged and pledged property; that it will maintain and preserve the lien of this indenture on such mortgaged and pledged property in accordance with terms thereof so long as any of the bonds issued hereunder are outstanding; and that is has good right and lawful authority to mortgage and pledge the said mortgaged and pledged property, as provided in and by this Indenture; and that the same are free and clear of all liens and incumbrances, except permitted liens as herein defined, and except as otherwise provided herein.

Section 2. That it will duly and punctually pay the principal of and interest on all the bonds outstanding hereunder, or secured hereby according to the terms thereof, and will also pay interest at the rate of 6% per annum on all overdue principal and/or installments of interest in respect of each bond hereby secured, and that it will not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest upon any of the bonds secured hereby and will not directly or indirectly be a party to or approve of any arrangement for any such extension by purchasing said coupons or claims or in any other manner. Interest on coupon bonds to the date of their fixed maturity shall be paid only in accordance with and upon surrender of the coupons for such interest as they respectively mature. As the coupons annexed to said bonds are paid they shall be cancelled.

Section 3. That it will keep an office or agency (approved by the Trustee), while any of the bonds issued hereunder are outstanding, at any and all places at which the principal and interest of any of said bonds shall be payable, where notices, presentations and demands to or upon the Company in respect of said bonds or coupons or this Indenture may be given or made, and for the payment of the principal thereof and interest thereon. The Company will from time to time give the Trustee written notice of the location of such office or offices or agency or agencies, and, in case the Company shall fail to maintain such office or offices or agency or agencies, or to give the Trustee written notice of the location thereof, any such notice, presentation or demand in respect of said bonds or coupons or this Indenture may be given or made, unless other provision is expressly made herein, to or upon the Trustee at its principal office at Milwaukee, Wisconsin,

and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee in such event.

The trustee shall be under no duty with respect to any such demand or notice served upon it except to transmit the same to the Company at the address specified in Section 7 of Article XV hereof.

Section 4. That it will pay all taxes and assessments lawfully levied or assessed upon the mortgaged and pledged property, or upon any part thereof or upon any income therefrom, or upon the interest of the Trustees in the mortgaged and pledged property when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged and pledged property, and all covenants, terms and conditions upon or under which any of the mortgaged and pledged property is held; that it will not suffer any lien to be hereafter created or exist upon the mortgaged and pledged property whether now owned or hereafter acquired, or any part thereof, or the income therefrom, prior to the lien of this Indenture, except permitted liens and prepaid liens, as herein defined, and within three months after the accruing of any lawful claims or demands for labor, materials, supplies or other objects, which if unpaid might by law be given precedence over this Indenture as a lien or charge upon the mortgaged and pledged property, whether now owned or hereafter acquired, or the income thereof, it will pay or cause to be discharged or make adequate provision to satisfy or discharge the same; provided, however, that nothing in this Indenture contained shall require the Company to observe or conform to any requirement of governmental authority or to cause to be paid of discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by necessary and appropriate legal proceedings and provided that such security for the payment of such lien or charge shall be given as the Trustee may require and, provided further, that nothing herein contained shall prohibit the Company from acquiring or holding property subject to easements, conditions or restrictions not materially impairing its usefulness in the Company's business; and that, save as aforesaid, or as otherwise herein expressly provided, it will not suffer any matter or thing whereby the lien hereof might or could be impaired.

Section 5. That it will keep all the property of a character usually insured by companies similarly situated and which is at any time subject to the lien of this Indenture, insured against loss or damage by fire and to such amount as such property is usually insured by companies similarly situated, either by means of policies issued by reputable insurance companies or, at the Company's election, by means of an adequate insurance fund set aside and maintained by it out of its own earnings or in conjunction with other companies through an insurance trust or other agreement, the loss, if any (except as to merchandise, materials, supplies, motor cars and vehicles), to be made payable to the Trustee and that it will furnish to the Trustee at such times as the Trustee may request, a statement signed by the President or a Vice President and the Secretary or an Assistant Secretary of the Company, showing:

(a) the numbers of the policies of insurance in effect and the names of the issuing companies,

(b) the amount of such policies,

(c) the property covered by such policies, and

(d) that each of said policies provide that loss thereunder is payable to the Trustee.

All moneys received by the Trustee as proceeds of any insurance against loss or damage shall be held by the Trustee and shall be paid over by it to the Company to reimburse the Company for the cost of rebuilding, renewal or replacement of the property destroyed or damaged upon receipt by the Trustee of a Treasurer's certificate, as herein defined, stating the amount so expended and the nature of such rebuilding, renewal or replacement; provided, that any insurance money received by the Trustee on account of any one loss not exceeding $10,000 in amount, shall forthwith be paid over to the Company without any certificate whatsoever; and the Company covenants that moneys so paid over without any certificate shall be forthwith applied to the rebuilding, renewal or replacement with other permanent additions of the property destroyed or damaged.

Any such moneys may also be withdrawn in the same manner and for the same purposes, and subject to the same conditions, as moneys in the Release Fund provided for in Article X hereof.

Section 6. The Company covenants that the business of the Company will be continuously carried on and conducted in an efficient manner; that all property, plants, appliances and equipment of the Company subject to the lien of this Indenture, used and useful in the carrying on of its business will be maintained in adequate repair, working order and condition, and, if worn out or injured, will be replaced by other property, suitable to the business of the Company, and of at least equal value; and that none of the rights, powers, franchises or privileges of the Company subject to the lien of this Indenture, whether now owned or hereafter acquired, will be allowed to lapse other than by expiration of the term of duration thereof or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company; that it will at all times maintain its corporate existence and right to carry on business in the several states in which its property and plants subject to the lien of this Indenture, or any part thereof, may be located and will use reasonable efforts to obtain, from time to time, all necessary renewals and extensions thereof, and subject to the provisions hereof, will diligently endeavor to maintain, preserve and renew all such rights, powers, privileges and franchises owned by it and necessary for carrying on the business of the Company; that it will at all times use all reasonable diligence to provide service adequate to meet the reasonable requirements of the communities in which it may be operating; that, except to the extent herein expressly permitted, it will at no time commit or suffer to be committed, any waste upon the mortgaged property, or do, or permit to be done, about, in or upon the mortgaged property anything that may in any wise tend to impair the value thereof, or to weaken, diminish or impair the security afforded by this Indenture, and that it will fully and in due time comply with all laws and ordinances applicable to the Company or the mortgaged and pledged property.

Nothing herein contained shall be construed to prevent the Company from contesting in good faith the validity of any such laws or ordinances by necessary and appropriate legal proceedings or in such other manner as may be deemed advisable by the Company or from ceasing to operate any of its plants or any other properties if in the judgment of the Company it is advisable not to operate the same for the time being, or, if the Company intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effectuate such a sale; nor in any such event to prevent the Company from dismantling, or taking such other action with respect to such plant or such other property as is proper and customary under the circumstances.

Section 7. That if it shall fail to perform any of the covenants contained in Section 4, 5 and/or 6 of this Article the Trustee or Trustees may make advances to perform the same in its behalf, but shall be under no obligation so to do; and all sums so advanced shall be at once repayable by the Company, and shall bear interest at six per

cent (6%) per annum until paid, and shall be secured hereby, having the benefit of the lien hereby created in priority to the indebtedness evidenced by the bonds and coupons issued hereunder, but no such advance shall be deemed to relieve the Company from any default hereunder.

Section 8. That it will cause this Indenture and all indentures and instruments supplemental hereto to be kept, recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the bondholders and all rights of the Trustees.

Section 9. That it will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this Indenture, and to make subject to the lien hereof any property hereafter acquired and intended to be subject to the lien of this Indenture, and to transfer to any new trustee or trustees the estate, powers, instruments or funds held in trust hereunder.

Section 10. The Company will at all times keep or cause to be kept proper books of record and account in which full, true and correct entries will be made, of all dealings or transactions of or in relation to plants, properties, business and affairs of the Company; and the Company covenants and agrees that it will at any and all times, upon the written request of the Trustee, permit it, or its clerks, agents, or auditors, for that purpose duly authorized, to inspect the books, accounts, papers, documents and memoranda of the Company, as well as its plants and properties, and to take from its books, accounts, papers, documents and memoranda such extracts as may be deemed expedient; that it will at any time upon the written request of the Trustee, furnish to the Trustee a full and complete statement of the property covered by the lien hereof or intended so to be.

Section 11. That it is duly authorized under the laws of the States of Wisconsin and Minnesota and under all other applicable provisions of law to create and issue the bonds herein provided for and to execute and deliver this Indenture, and that all corporate action on its part for the creation and issue of said bonds and the execution of this Indenture has been duly and effectually taken, and that said bonds when issued and in the hands of the holders thereof are and will be valid and enforcible obligations of the Company, and that this Indenture is and always will be a valid mortgage or deed of trust to secure the payment of said bonds.

Section 12. That upon the issue of each and every bond hereby secured it shall and will pay all such United States Internal Revenue and other taxes (which may legally be paid by the Company) as may be imposed by any law of the United States of America, of the State of Wisconsin or of the several states in which its property and plants, or any part thereof may be located, then in force applicable to and imposed upon the issue of such bond, and that as evidence of such payment it will cause to be affixed to each bond issued hereunder or to this Indenture and duly cancelled all such Internal Revenue and other stamps and that it will cause to be endorsed or affixed to each bond issued hereunder or to this Indenture such statement or recital as shall be necessary to comply with any and every such law then in force.

Section 13. That it will not issue, or permit to be issued, any bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and that it will faithfully observe and perform all the conditions, covenants and requirements of this Indenture and of all indentures supplemental thereto.

Section 14. That it will duly and punctually perform all the conditions and obligations on it imposed by the terms of any lien that may hereafter be prior to the lien

hereof to such an extent as shall be necessary to keep the security afforded by this Indenture substantially unimpaired and that it will not permit any default under any such lien to occur and continue for the period of grace, if any, specified therein, if thereby the security afforded by this Indenture be materially impaired or endangered.

Section 15. That it will not issue or permit to be issued hereunder bonds of any series (other than bonds of the 4% Series due 1963) unless at the time of the creation of such series, adequate provision shall be made for a Sinking Fund or a Sinking and Improvement Fund for the bonds of such series, providing in substance (a) for payment by the Company to the Trustee annually of not less than one per cent (1%) of the greatest principal amount of bonds of such series outstanding hereunder at any one time prior to the date of such respective annual payments, (b) that any cash so paid to the Trustee shall be applied by the Trustee within not less than six months after the receipt thereof to the redemption of bonds of such series, (c) that the Company will, at the time of making each such annual payment, also pay to the Trustee such additional amount of cash as may be necessary to pay the accrued interest and premium upon the bonds so to be redeemed and (d) that all bonds delivered by the Company to the Trustee or redeemed pursuant to the provisions of such Fund, shall be cancelled by the Trustee and not reissued.

The provisions requiring the creation of such Fund may, if the Company desires to include the same, contain a further provision, in substance, that the Company may apply as a credit against any such cash payments required to be made to such Fund seventy per cent (70%) of the cost or fair value, whichever is less (after making the deductions provided for in Section 3 of Article V hereof on account of property removed from service or abandoned) of permanent additions acquired or constructed by the Company subsequent to November 1, 1938, and not more than three years immediately preceding the respective annual payments so required to be made to the Trustee for such Fund, which permanent additions, under the provisions of Article V hereof, might otherwise be made the basis for the issuance of bonds hereunder and in respect of which no bonds have been or will be issued or cash withdrawn or property released or credit taken under any of the provisions of this Indenture.

The provisions requiring the creation of such Fund may, if the Company desires to include the same, contain a further provision, in substance, that the delivery by the Company to the Trustee of bonds of any particular series or bonds of any series issued hereunder, with their appurtenant unmatured coupons, if such bonds be coupon bonds, shall be deemed equivalent to the payment of cash to an amount equal to the aggregate principal amount of bonds so delivered.

ARTICLE IX.

Redemption of Bonds.

Section 1. Such of the bonds issued hereunder as are, by their terms, redeemable before maturity may, at the option of the Company, be redeemed at such times, in such amounts and at such prices as may be specified therein and in accordance with the provisions of the six next succeeding sections of this Article numbered from 2 to 7, both inclusive.

Section 2. Notice of intention to redeem (including in case a part only of the bonds of any particular series are to be redeemed, the numbers of such bonds) shall be given, by or on behalf of the Company by publication at least once in each of not less than three successive calendar weeks preceding the date fixed for redemption and in each case on any day in the week (the first publication to be at least thirty days, or such other number of days as shall be fixed by the terms of the bonds to be redeemed, before

the redemption date but in no event more than sixty days before the redemption date), in one daily newspaper of general circulation published in Milwaukee, Wisconsin, and in one newspaper of general circulation published in each other city, if any, in which the principal of any of the bonds to be redeemed may have been made payable. A copy of such notice shall also be mailed by or on behalf of the Company, not less than a like number of days before the redemption date, to the holders of any registered bonds without coupons or coupon bonds registered as to principal which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of such bonds.

In case the Company shall have elected to redeem less than all of the outstanding bonds of any series, it shall, in each such case, at least ten days before the date upon which the first publication of the notice of redemption hereinbefore mentioned is required to be made, notify the Trustee in writing of such election and of the aggregate principal amount of bonds of such series to be redeemed and thereupon the Trustee shall either (a) draw by lot in any manner deemed by it proper the bonds to be redeemed or (b) select such bonds to be redeemed as shall be approved and consented to by the holders and registered owners of all bonds of such series at the time outstanding, and the Trustee shall notify the Company in writing of the numbers of the bonds so drawn or selected in ample time to permit the first publication of the notice of redemption to be made as hereinabove provided. If any number so drawn or selected shall be the numbers of coupon bonds reserved in respect of the issuance of outstanding registered bonds without coupons, such notice of redemption shall specify the numbers of such registered bonds. In case any registered bond, without coupons, shall be redeemed in part only such notice shall specify the principal amount thereof to be redeemed and shall state that, upon surrender thereof for redemption, a new bond or new bonds of the same series of an aggregate principal amount equal to the unredeemed portion of such registered bond will be issued in lieu thereof; and, in such case, either (a) the Company shall execute and the Trustee shall authenticate and deliver such new bond or bonds to or upon the written order of the registered owner of such registered bond, at the expense of the Company or (b) at the option of the registered owner, such registered bond may be endorsed with a notation of payment of part thereof and in the case of partial redemption of a definitive registered bond with a notation of the number or numbers of coupon bonds reserved for the part redeemed.

Section 3. In the event that the Company shall give and complete notice of its intention to redeem any of the bonds, the Company shall, and it hereby covenants that it will, before the redemption day specified in such notice, deposit with the Trustee a sum of money sufficient to redeem all of such bonds on such date.

Section 4. Moneys deposited by the Company with the Trustee under the provisions of this Article for the redemption of any of the bonds issued hereunder (whether all or a part only of the bonds issued hereunder or of any particular series are to be redeemed) shall be deposited and held in a trust fund for account of the respective holders of the bonds to be redeemed and shall be paid to them respectively, upon presentation and surrender of such bonds with all unmatured coupons appertaining thereto; and after such redemption day if the moneys for the redemption of said bonds shall have been deposited as aforesaid, such bonds shall cease to bear interest, and such bonds shall cease to be entitled to the lien, benefits or security of this Indenture, the coupons for interest maturing subsequent to that day shall be void and as respects the Company's liability thereon such bonds and coupons shall be deemed to have been paid.

Section 5. All bonds issued hereunder paid, retired or redeemed under any of the provisions of this Article shall forthwith be cancelled, and the Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company.

Section 6. If the amount necessary to redeem any bonds called for redemption as aforesaid shall have been deposited with the Trustee for the account of such bonds on or before the date specified for such redemption, and either the notice provided for in respect of the redemption of such bonds shall have been duly given, or arrangements for the publication of such notice shall have been made and irrevocable authorization shall have been given by the Company to the Trustee to give notice in behalf of the Company as provided in Section 2 of this Article, the Company and the Trustee shall be privleged to consider such bonds redeemed from the holder or holders thereof and paid for purposes of release and satisfaction of this Indenture.

Section 7. In case any question shall arise as to whether proper and sufficient action shall have been taken for the redemption of bonds, such question shall be decided by the Trustee and the decision of the Trustee shall be final and binding upon all parties in interest.

ARTICLE X.

Possession, Use and Release of Mortgaged Property.

Section 1. While not in default in the payment of principal or interest on any bond then outstanding hereunder or in respect of any of the covenants, agreements or conditions in this Indenture contained, the Company shall be suffered and permitted to possess, use and enjoy the mortgaged and pledged property, and to receive and use the rents, issues, income, products and profits thereof, with power, in the ordinary course of business, freely and without let or hindrance on the part of the Trustees or of the bondholders, to use and consume materials and supplies, and, except as herein otherwise expressly provided to the contray, to exercise any and all rights under or in relation to choses in action, leases and contracts.

Section 2. While the Company is not in default as aforesaid, it may at any time, without any release or consent by the Trustees or either of them

(1) sell or otherwise dispose of, free from the lien of this Indenture,

(a) any machinery, equipment, tools or implements which may have become obsolete or unfit for use, upon replacing the same by or substituting for the same, new machinery, equipment, tools or implements, of at least equal value to that of those disposed of;

(2) cancel, or make changes or alterations in or substitutions of, any and all contracts, leases and right of way grants of either land or easements;

(3) surrender or assent to the modification of any franchise or governmental consent or permit under which it may be operating, provided that, in the event of any such surrender or modification, the Company shall still have, under some other franchise or governmental consent, permit or right or under the modified franchise or governmental consent or permit, or under a new franchise, license, governmental consent or permit, received in exchange for the surrendered franchise or governmental consent or permit or otherwise (subject to the lien of this Indenture and free from any liens prior thereto, except prepaid and/or permitted liens), authority, in the opinion of counsel, sufficient for the conduct of the same or an extended business in the same or substantially the same or an extended territory for the same or substantially the same or an extended or unlimited period of time or until the maturity date of the last maturing

series of bonds at the time outstanding hereunder or for the most extended period or term then possible under existing laws or regulations or it is no longer necessary or expedient to continue in the territory affected thereby.

Section 3. The Company may sell, exchange or otherwise dispose of any of the mortgaged and pledged property (in addition to the property referred to in Sections 1 and 2 of this Article X) and the Trustees shall release the same from the lien hereof upon the application of the Company and receipt by the Trustee of:

1. A resolution, as herein defined, requesting such release;

2. An Engineer's Certificate, as herein defined, made and dated not more than sixty (60) days prior to the date of the application for such release, stating in substance as follows:

(a) that such release is desirable in the conduct of the business of the Company and that the security hereby afforded will not be impaired by such release; and

(b) that the Company has sold or exchanged or otherwise disposed of or has contracted to sell, exchange or otherwise dispose of the property so to be released for a consideration representing in the opinion of the signers its full value to the Company, which consideration shall be briefly described in such certificate. Such consideration in case all or substantially all of the property, subject to the lien of this Indenture, is to be released, shall consist solely of cash, but in any other case hereunder may consist of any one or more of the following: (1) cash, (2) obligations (maturing not later than two years prior to the earliest maturity of any bonds at the time outstanding hereunder), secured by a closed purchase money first mortgage on the property so to be released, but in an amount not in excess of 70% of the consideration received by the Company for such property, (3) any other property which, but for the fact that it is acquired in exchange, could be made the basis for the issuance of bonds under the provisions of Article V of this Indenture; provided that in no case shall the aggregate principal amount of obligations secured by purchase money mortgage on the property so to be released, together with all other obligations secured by purchase money mortgage received in connection with previous releases of property and remaining in the possession of the Trustee, exceed ten per cent (10%) of the aggregate principal amount of bonds outstanding under this Indenture at the time of the particular application for the release of property;

(c) If the consideration includes any property other than cash or obligations that such property is property which, but for the fact that it is acquired in exchange, could be made the basis for the issue of bonds under the provisions of Article V of this Indenture;

(d) That the signers have no knowledge of the existence of any default on the part of the Company in the performance of any of the terms or covenants of this Indenture;

(e) Whether or not the cost of the property to be released is in excess of Fifty thousand ($50,000) Dollars which cost as regards property acquired prior to November 1, 1938, shall be deemed to be the amount at which the property was carried on the books of the Company on November 1, 1938, and as regards property acquired on or subsequent to November 1, 1938, shall be

as defined in Section 7 of Article 1 of this Indenture.

3. Any cash or obligations stated in said certificate to be or to have been received in consideration for any such property so to be released; and, if real estate or other property is included in the consideration for any such property so to be released, such deeds or other instruments and conveyances, assignment or transfer as in the opinion of counsel hereinafter referred to are required and are sufficient to subject the same to the lien of this Indenture;

4. An opinion of counsel, as herein defined, to the effect (a) that any obligations included in the consideration for such release are in his or their opinion valid obligations secured by and entitled to the benefits of a mortgage upon the property so to be released and that such mortgage upon recording the same in certain designated places will be a valid closed purchase money first mortgage upon the property so to be released, (b) in case the Trustees are requested to release any franchise, license or permit that such release will not impair the then existing right of the Company to operate any of its remaining property, (c) either (i) that the deeds or other instruments of conveyance, assignment or transfer delivered to the Trustees under the foregoing subdivision 3, covering any property included in the consideration for such release are sufficient to subject the same to the lien of this Indenture, subject to no liens, except permitted liens and prepaid liens, as herein defined or (ii) that no instruments of conveyance, assignment or transfer are necessary to vest in the Company any consideration other than cash received for such release or to subject the same to the lien of this Indenture, subject to no liens except permitted liens and prepaid liens as herein defined;

5. Either (a) a certificate constituting evidence of the authorization, approval or consent of any governmental body at the time having jurisdiction in the premises to the sale, exchange or other disposition of the property to be released, the consideration to be received therefor and the acquisition of any property constituting any part of such consideration, together with an opinion of counsel, as herein defined, that the same constitutes sufficient evidence thereof, and that the authorization, approval or consent of no other governmental body is required or (b) the opinion of such counsel that no such authorization, approval or consent of any governmental body is required;

6. In case the property so to be released has a cost in excess of Fifty thousand ($50,000) Dollars, according to the certificate furnished pursuant to subdivision (2) of this Section 3, a certificate signed by an independent engineer, as herein defined, stating in substance that, in the opinion of the signers of such certificate the consideration to be received by the Company for the property so to be released represents its full value to the Company and that the sale or exchange or other disposition of such property for such consideration will not be prejuducial to the holders of the bonds then outstanding under this Indenture.

7. In case the consideration for the property to be released consists of permanent additions, the Trustees shall also be furnished with such certificates, and opinions with respect thereto and such instruments and other papers as would be necessary to entitle the Company under the provisions of Section 5 of Article V to the authentication and delivery of bonds upon the basis of the acquisition or

construction of such permanent additions, with such variations or omissions from or insertions in such certificates, opinions and other papers as may be appropriate in view of the purpose for which thay are delivered, but not including, however, any net earnings certificate, or any of the documents provided for in Section 1 of Article IV hereof.

Section 4. The Trustees shall, whenever from time to time requested by the Company, such request to be evidenced by resolution as herein defined, and without requiring compliance with any of the foregoing provisions of Section 3 of this Article, release from the lien hereof any property which in the opinion of the Board of Directors of the Company as stated in the resolution is not in excess of Five Thousand Dollars ($5,000) in value and is no longer useful or necessary in the conduct of the business of the Company provided, however, that the aggregate value of such property so released without compliance with the foregoing provisions of Section 3 of this Article in any period of twelve consecutive calendar months shall not exceed the sum of Ten Thousand ($10,000) Dollars. The Company covenants that it will deposit with the Trustee the consideration, if any, received by it from the sale or other disposition of any property so released.

Section 5. Any obligation received by the Trustee pursuant to the provisions of Section 3 or 4 of this Article may be collected by it, interest as received thereon meanwhile to be paid over to the Company, it not being then in default hereunder to the knowledge of the Trustee.

Any new property acquired by exchange or purchase to take the place of any property released under any provision of this Article shall forthwith and without further conveyance become subject to the lien of and be covered by this Indenture as a part of the mortgaged property; but the Company covenants that if so requested by the Trustee it will convey the same, or cause the same to be conveyed, to the Trustees by appropriate instruments of conveyance upon the trusts and for the purposes of this Indenture.

Section 6. Should any of the mortgaged property be taken by exercise of the power of eminent domain or should any governmental body or agency, at any time, exercise any right which it may have to purchase any part of the mortgaged property, the Trustees may release the property so taken or purchased, and shall be fully protected in doing so upon being furnished with an opinion of counsel, as herein defined, to the effect that such property has been taken by exercise of the power of eminent domain, or purchased by a governmental body or agency in the exercise of a right which it had to purchase the same. The proceeds of all property so taken or purchased shall be paid over to the Trustee.

Section 7. In case the mortgaged property shall be in the possession of a receiver, lawfully appointed in any action or judicial proceeding for the foreclosure hereof or for the enforcement of the rights of the Trustees or of the bondholders under this Indenture, the powers hereinbefore conferred upon the Company with respect to the sale or other disposition of the mortgaged property may be exercised by such receiver, and any request, certificate or appointment made or signed by such receiver for such purpose shall be as effective as if made by the Company or its Board of Directors or any of its officers in the manner herein provided; and if the Trustees or either of them shall be in possession of the mortgaged property under any provision of this Indenture, then such powers may be exercised by such trustee in its discretion. The powers conferred by this section upon a receiver or trustee may be exercised by such receiver or trustee notwithstanding that any one or more of the completed defaults specified in Section 1 of Article XII hereof shall have happened and be continuing.

Section 8. No purchaser in good faith of property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustees to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by Sections 3 and 4 of this Article to be sold, granted, exchanged or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition.

Section 9. Any moneys deposited with or received by the Trustee or either of them hereunder, pursuant to any of the provisions of any section of this Article or in payment of or in exchange for any of the obligations deposited with or received by the Trustees or either of them pursuant to the provisions of Sections 3 or 4 of this Article (except, however, interest on said obligations) or which under any of the provisions of this Indenture are to be held and/or disposed of by the Trustee in the same manner as moneys or cash in the Release Fund, shall constitute a fund herein termed Release Fund and shall be held by the Trustee in trust for the security of the bonds issued and outstanding hereunder until withdrawn or paid out as hereinafter provided.

Section 10. In the event that all or a substantial portion of the property of the Company used in the business of distributing electricity in the City of Winona, Minnesota, shall be disposed of by the Company by sale, exchange or condemnation, then and in such event any moneys which shall have been received by the Trustees or either of them representing the consideration received for or the proceeds of sale or other disposition of any property of the Company used in the business of generating, manufacturing, transmitting, distributing or supplying electricity in the City of Winona, Minnesota, shall be applied forthwith by the Trustee without request from the Company, to the redemption and retirement of bonds then outstanding hereunder in the manner, to the extent and under the same terms and conditions as are contained in and permitted by Sections 12 and 13 of this Article X. For the purpose of this section the phrase "a substantial portion of the property of the Company used in the business of distributing electricity in the City of Winona, Minnesota" shall mean 25% or more of the miles of distribution lines of the Company located in the City of Winona, Minnesota.

Section 11. At the option of the Company any moneys constituting all or any part of the Release Fund (except as otherwise provided in Section 10 of this Article) shall be paid out by the Trustee from time to time in an amount or amounts equal to the cost or fair value whichever is less, (after making the deductions provided for in Section 3 of Article V hereof on account of property removed from service or abandoned to a date not more than ninety (90) days preceding the date of the order of the Company hereinafter in this Section provided for) of permanent additions acquired subsequent to November 1, 1938, and not more than three years prior to the receipt by the Trustee of the moneys so to be paid out and of the character which under the provisions of Article V hereof might otherwise be made the basis for the issue of bonds hereunder. In the event that the Company shall not have available permanent additions acquired subsequent to November 1, 1938, and not more than three years prior to the receipt by the Trustee of the moneys so to be paid out and of a character, which, under the provisions of Article V hereof, might otherwise be made the basis for the issue of bonds hereunder, and after making the deductions provided for in Section 3 of Article V hereof on account of property removed from service or abandoned to a date not more than ninety (90) days preceding the date of the order of the Company hereinafter in this Section provided for, then and in such event at the option of the Company, any moneys constituting all or any part of

the release fund (except as otherwise provided in Section 10 of this Article) shall be paid out by the Trustee in an amount or amounts equal to the cost or fair value, whichever is less, of permanent additions acquired subsequent to the receipt by the Trustee of the moneys so to be paid out, and of a character which, under the provisions of Article V hereof might otherwise be made the basis for the issuance of bonds hereunder, and without making the deductions provided for in Section 3 of Article V hereof on account of property removed from service or abandoned. Such moneys shall from time to time be paid out of such Release Fund by the Trustee upon the written order of the Company signed by its President or Vice President, accompanied by a resolution, as herein defined, authorizing such written order, upon the filing with the Trustee by the Company of such certificates, opinions, instruments and other papers with respect to such permanent additions as would be necessary under the provisions of Section 5 of Article V hereof, to entitle the Company to the authentication and delivery of bonds upon the basis of the acquisition or construction thereof; provided, however, that for the purpose of withdrawing cash pursuant to the provisions of this Section, it shall in no case be necessary for the Company to deliver to the Trustee the net earnings certificate provided for in Subdivision (4) of said Section 5 of Article V hereof, or any of the documents provided for in Section 1 of Article IV hereof and the documents to be delivered to the Trustee for such purpose shall conform to the applicable requirements of said Section 5 of Article V hereof but with such omissions or variations therefrom, or insertions therein, as may be appropriate in the light of the purpose for which they are used. The use of permanent additions for the purpose of withdrawing cash under the provisions of this Section shall be subject to all the conditions, provisions and limitations to which the authentication and delivery of additional bonds are subjected by the provisions of Article V hereof, as fully and to all intents and purposes as if application had been made for the authentication and delivery of bonds upon the basis of such permanent additions; except the provisions of Section 3 of Article V hereof in so far as they limit the principal amount of bonds to be authenticated to seventy per cent. (70%) of the cost or fair value of permanent additions, shall be inapplicable to the withdrawal of cash under this Section.

Section 12. At any time upon the request of the Company, expressed by resolution, as herein defined, the Trustee shall to the extent that such bonds are available for such purpose, apply all or any part of the cash in the Release Fund held by it to the purchase of bonds then outstanding hereunder of such series (one or more) as the Company may designate at a price not exceeding the current redemption price of, and the accrued interest on, such bonds as shall be by their terms redeemable before maturity, and at no more than one hundred per cent of the principal of, plus accrued interest on, bonds not so redeemable. Upon request of the Company expressed by resolution the Trustee shall purchase bonds as aforesaid in the open market at the best price obtainable, provided the said Release Fund then held by it and available for the purchase of bonds shall be less than Fifty Thousand Dollars ($50,000), or in the event that said fund shall then exceed Fifty Thousand Dollars ($50,000), shall purchase bonds by inviting offers thereof in the manner specified in this Section. In order to invite offers of such bonds the Trustee shall, by notice published once in each of at least two (2) successive calendar weeks and in each case on any day of the week in one daily newspaper of general circulation published in the Borough of Manhattan, City of New York, and in one newspaper of general circulation published in each other city in which the principal of any of the bonds then outstanding and designated by the Company for purchase as in this Section provided may be payable,

advertise for written proposals to sell to it on or before a specified date bonds then outstanding hereunder; and the Trustee, to the extent, as nearly as is possible, of such funds then in its hands and requested by the Company to be so applied, shall purchase the bonds so offered at the lowest price or prices asked therefor, subject to the limitations as to the price to be paid hereinabove in this Section set forth, and reasonable notice shall be given by the Trustee to the owner or owners of the bonds whose proposals may be accepted. Upon the request by resolution hereinabove in this Section provided for, the Trustee may also, in its discretion, and upon request of the Company so to do, shall, invite offers of bonds for sale to the Release Fund in any other usual manner. Should there be two or more proposals at the same price aggregating more than the amount which the Trustee has available for investment, after having accepted all proposals at lower prices, the Trustee shall invest the amount so available, by acceptance of proposals and/or by redemption as hereinafter provided, so as to acquire the requisite amount of bonds at the lowest cost possible, provided, however, that to the extent consistent with the acquisition of such amount of bonds at the lowest cost possible the Trustee shall (a) acquire bonds by purchase rather than by redemption, (b) in accepting proposals, give preference to such proposals as are subject to acceptance of a portion thereof as against proposals not subject to such acceptance, (c) as between proposals subject to acceptance of a portion thereof, accept the same pro rata, and (d) as between proposals not subject to such acceptance, select by lot, according to such method as the Trustee shall deem proper in its discretion, the proposals to be accepted. The Trustee shall have the right to reject any or all proposals in whole or in part if it can at the time of opening said proposals purchase the requisite amount of such bonds or any part thereof at a lower price than it could by accepting said proposals. All offers by holders shall be subject to acceptance of a portion thereof unless otherwise expressed in the offers and all advertisements for written proposals shall so state. Upon the purchase of or upon the election (as provided in this Section) of the Trustee to purchase any bond, as hereinabove provided, the Trustee shall notify the Company in writing thereof, specifying the serial numbers and principal amount of the bonds purchased or to be purchased and the amount of the accrued interest, if any, thereon paid or to be paid by the Trustee on such purchase, and the Company covenants that it will, from time to time, upon the receipt by it of any such notice, immediately pay to the Trustee, as an additional payment to the Release Fund, and amount in cash equal to such accrued interest on the bonds so purchased, or to be purchased, as specified in such notice to the end that the Release Fund shall not be dimished by the payment therefrom of interest.

Section 13. At any time upon the request of the Company, expressed by resolution, as herein defined, the Trustee shall as soon as practicable thereafter apply all or any part of the cash in the Release Fund held by it to the redemption of bonds issued hereunder, which are by their terms redeemable before maturity, of such series (one or more) if any, as may be designated by the Company in the manner and as provided for redemption of bonds in Article IX hereof and in the event of each such redemption the Trustee shall notify the Company in writing forthwith of the bonds selected for redemption specifying the amount of accrued interest and premium payable in respect of the bonds to be redeemed upon such redemption and the Company covenants that it will give or cause to be given the notice provided for in respect of the redemption of such bonds and will, at least three days prior to the date fixed for such redemption, deposit with the Trustee an additional amount of cash equal to such accrued interest and premium, to the end that the Release

Fund shall not be diminished by the payment of interest or premium therefrom.

Section 14. All funds amounting to Fifty Thousand Dollars ($50,000) or over remaining in the Release Fund for a period of twenty-four months, which shall not have been made the subject of a proper request by the Company for reimbursement, as herein provided, shall be applied by the Trustee to the purchase or redemption of bonds in the manner specified in Sections 12 and 13 hereof, choosing for such purpose bonds of the series of the lowest current redemption price that may be then outstanding and available for such purpose; and the Company, in the event of each such application, upon written notice from the Trustee, shall give or cause to be given the notice provided for in respect of the redemption of such bonds and pay to the Trustee additional cash equal to all accrued interest and premium, payable upon such application to the end aforesaid.

Section 15. The delivery by the Company to the Trustee of bonds issued hereunder with their appurtenant unmatured coupons, if such bonds be coupon bonds, shall be deemed equivalent under this Article to payment of cash under Sections 3 or 4 of this Article to an amount equal to the aggregate principal amount of the bonds so delivered.

At the option of the Company, any moneys constituting any part of the Release Fund may be withdrawn by the Company upon the delivery to the Trustee of bonds issued hereunder with their appurtenant unmatured coupons, if such bonds be coupon bonds, of an aggregate principal amount equal to the amount of moneys so withdrawn.

Section 16. Before applying any moneys in the Release Fund to the purchase or redemption of bonds under the provisions of Sections 12, 13 or 14 of this Article and before accepting any bonds in lieu of cash, as provided in Section 15 of this Article, the Trustee shall ascertain by a certificate signed by the President or a Vice-President of the Company, or in such other manner as the Trustee shall deem proper, that the bonds so to be purchased, redeemed or delivered to the Trustee were sold by the Company at a bona fide sale and prior to the time of the receipt by the Trustee of the funds so to be applied to the purchase, redemption or retirement of such bonds.

Section 17. All bonds issued hereunder purchased or otherwise acquired by, or delivered to the Trustee for the Release Fund shall forthwith be cancelled, and the Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company.

Section 18. If the mortgaged property shall be sold, either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of this Indenture, then the Release Fund shall be added to and dealt with as if it were part of the proceeds of such sale.

ARTICLE XI.

Sinking and Improvement Fund

Section 1. The Company covenants that on or before the 28th day of October, 1939, and the 28th day of October in each year thereafter, so long as any of the bonds of the 4% Series due 1963 shall remain outstanding, it will pay to the Trustee as a sinking fund in cash an amount equal to one per cent of the greatest principal amount of bonds of the 4% Series due 1963 outstanding hereunder at any one time prior to the date of the respective payments.

Section 2. The Company covenants that on or before the 28th day of October, 1939, and the 28th day of October in each year thereafter, so long as any of the bonds of the 4% Series due 1963 shall remain outstanding, it will pay to the Trustee in addition to the amounts provided for in Section 1 of this Article XI an amount in cash equal to one per cent, of the greatest principal amount of bonds of the 4% Series due 1963 outstanding hereunder at any one time prior to the date of the respective payments, less, however, to the extent that the Company desires to include the same, the following credits against such payments provided for in this Section 2:

Seventy per cent. (70%) of the cost or fair value, whichever is less (after making the deductions provided for in Section 3 of Article V hereof, on account of property removed from service or abandoned) of permanent additions acquired or constructed by the Company subsequent to November 1, 1938 and not more than three years immediately preceding the delivery to the Trustee of the certificate hereinafter in Section 5 of this Article provided for, which permanent additions under the provisions of Article V hereof might otherwise be made the basis of the issuance of bonds hereunder, and in respect of which no bonds have been or will be issued or cash withdrawn or property released or credit taken under any of the provisions of this Indenture.

Section 3. All cash paid to the Trustee pursuant to the provisions of Section 1 and 2 of this Article XI shall be held by the Trustee as security for the payment of the bonds of the 4% Series due 1963 until applied as hereinafter in this Section provided. Such cash shall be applied by the Trustee on the first of November succeeding each such deposit to the redemption of bonds of the 4% Series due 1963 in accordance with the provisions of Article IX of this Indenture, except that the Sinking and Improvement Fund redemption prices shall be the principal amount of the bonds so to be redeemed and accrued interest thereon to the date of redemption, plus a premium on such principal amount as follows:

1½% if redemption be effected prior to November 1, 1954;

1¼% if redemption be effected on or after November 1, 1954, and prior to November 1, 1955;

1% if redemption be effected on or after November 1, 1955, and prior to November 1, 1956;

3/4% if redemption be effected on or after November 1, 1956 and prior to November 1, 1957;

½% if redemption be effected on or after November 1, 1957, and prior to November 1, 1958;

¼% if redemption be effected on or after November 1, 1958, and prior to November 1, 1959;

1/8% if redemption be effected on or after November 1, 1959, and prior to November 1, 1960;

1/8% if redemption be effected on or after November 1, 1960, and prior to November 1, 1961;

There shall be no premium if redemption be effected on or after November 1, 1961.

Section 4. The delivery by the Company to the Trustee of bonds of the 4% Series due 1963 issued hereunder with their appurtenant unmatured coupons, if such bonds be coupon bonds, shall be deemed equivalent under the provisions of Section 1 and Section 2 of this Article XI to the payment of cash to an amount equal to the aggregate principal amount of the bonds so delivered.

Section 5. On or before the 15th day of September, 1939, and the 15th day of September in each year thereafter, so long as any of the bonds of the 4% Series due 1963 shall remain outstanding, the Company shall file with the Trustee a Treasurer's Certificate,

as herein defined, stating:

(a) The cost and fair value of any permanent additions which the Company desires to include as a credit against the payments provided for in Section 2 of this Article Xl;

(b) The principal amount of bonds of the 4% Series due 1963 issued hereunder, which the Company desires to deliver to the Trustee for cancellation in lieu of the deposit of cash required by the provisions of Section 1 or Section 2 of this Article Xl.

In the event that any such certificate delivered to the Trustee shall show that the Company has included permanent additions as a credit against the payments provided for in Section 2 of this Article Xl, the Company shall, at the time of filing such certificate, with the Trustee, file with the Trustee and engineer's certificate, and, in a proper case an independent engineer's certificate, and an opinion of counsel conforming to the requirements of subdivisions 2, 3 and 5 of Section 5 of Article V with respect to such permanent additions.

Section 6. The Trustee is hereby irrevocably authorized to give notice of redemption, as provided in Section 2 of Article lX hereof, for and on behalf of and in the name of the Company as may be necessary to effect the redemption of any bonds of the 4% Series due 1963 pursuant to the provisions of this Article Xl, and without any action or election by or notice from or to the Company.

Section 7. All bonds of the 4% Series due 1963 delivered by the Company to the Trustee or redeemed pursuant to the provisions of this Article Xl shall be cancelled by the Trustee and shall not be reissued.

Section 8. The Company covenants that in each case of any redemption of bonds pursuant to the provisions of this Article Xl it will, on or before the redemption date of such bonds, pay to the Trustee an additional amount of cash equal to the accrued interest on the bonds so to be redeemed to the date of redemption thereof, plus an amount equal to the premium payable upon the redemption of any such bonds, to the end that the Sinking and Improvement Fund shall not be diminished by the payment therefrom of such interest or premium.

ARTICLE Xll.

Remedies of Trustees and Bondholders Upon Default.

Section 1. Upon the occurrence of any one or more of the following events (herein sometimes called "completed defaults"), viz.:

(a) Default in the payment of the principal of any bond hereby secured when the same shall have become due and payable, whether at maturity as therein expressed or by declaration, or otherwise; or

(b) Default continued for sixty (60) days in the payment of any interest upon any bond hereby secured; or

(c) Default shall be made by the Company in the payment of any amount or amounts required to be paid to the Trustee for the Sinking and Improvement Fund under the provisions of Sections 1,2 or 8 of Article Xl hereof; provided, however, that if the Company shall fail to make payment of the full amount required to be paid under said Section 2 or said Section 8 by reason of any mistake or error in the computation of the amount due thereunder, or by reason of any mistake or error in any of the certificates provided for in Section 5 of Article Xl hereof, such failure shall not be a default hereunder until sixty (60) days after written notice to the Company by the Trustee, which notice

may be given by the Trustee, in its discretion, and shall be given at the written request of the holders and registered owners of ten per cent (10%) in principal amount of the bonds then outstanding; or

(d) Default shall be made by the Company in the observance or performance of any other covenants, agreements or conditions on its part in this Indenture contained and such default shall continue for sixty (60) days after written notice to the Company by the Trustee, which notice may be given by the Trustee in its discretion, and shall be given at the written request of the holders and registered owners of ten per cent (10%) in principal amount of the bonds then outstanding; or

(e) The Company shall be adjudicated a bankrupt or insolvent by a court of competent jurisdiction, or such court shall make an order or decree approving as properly filed a petition for the reorganization of the Company under Article X of the Bankruptcy Act, or shall appoint a receiver for the Company or its property and assets and such adjudication, order or decree shall not be reversed, vacated or set aside upon appropriate proceedings for the review thereof commenced within sixty (60) days from the date of such adjudication, order or decree; or the Company shall apply for or consent to the appointment of a receiver of itself or of all or substantially all of its property; or the Company shall institute voluntary proceedings to be adjudicated a bankrupt, or to be reorganized under Article X of the Bankruptcy Act, or shall make an assignment of its property for the benefit of creditors;

then and in every such case the Trustee may, and upon written request of the holders of twenty-five per cent (25%) in principal amount of (1) the bonds then outstanding hereunder, or (2) the bonds then outstanding hereunder primarily affected by the default, shall, by notice in writing delivered to the Company, declare the principal of all bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; subject, however, to the right of the holders of a majority in principal amount of said bonds so affected by such default by written notice to the Company and to the Trustee to rescind and annul such declaration and destroy its effect at any time before any sale hereunder, if before any such sale all agreements with respect to which default shall have been made shall be fully performed, and all arrears of interest upon all bonds outstanding hereunder and the reasonable expenses and charges of the Trustees, their agents and attorneys, and all other indebtedness secured hereby, except the principal of any bonds not then due by their terms, and interest accrued on such bonds since the last interest day, shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto; but no such rescission or annulment and no waiver of default hereunder shall extend to or affect any subsequent default or impair any right subsequently accruing thereon.

Section 2. Upon the occurrence of one or more completed defaults, the Company, upon demand of the Trustees or either of them, shall forthwith surrender to the Trustees the actual possession of, and it shall be lawful for the Trustees, by such officer or agent as they may appoint, to take possession of all the mortgaged property (with the books, papers and accounts of the Company), and to hold, operate and manage the same, and from time to time to make all needful repairs, and such alterations, additions and improvements as to the Trustees shall seem wise, and to receive the rents, income, issues and profits thereof, and out of the same to pay all proper costs and expenses of so taking,

holding, operating and managing the same, including reasonable compensation to the Trustees, their agents and counsel, and any charges of the Trustees hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustees may deem it wise to pay, and all expenses of all such repairs, alterations, additions and improvements, and to apply the remainder of the moneys so received by the Trustees, first to the payment of the installments of interest which are due and unpaid, in the order of their maturity, with interest on the overdue installments of interest; or if the principal of all of said bonds is due, to the payment of said principal and interest thereon. Whenever all that is due upon such bonds and installments of interest, and under any of the terms of this Indenture shall have been paid and all defaults made good, the Trustees shall surrender possession to the Company, its successors or assigns; the same right of entry, however, to exist upon any subsequent default.

Section 3. Upon the occurrence of one or more completed defaults it shall be lawful for the Trustees, by such officer or agent as they may appoint, with or without entry to sell all property subject to the lien hereof as an entirety, or in such parcels as the holders of a majority in principal amount of the bonds outstanding hereunder shall in writing request, or in the absence of such request, as the Trustees may determine, at public auction, at some convenient place in Milwaukee, Wisconsin, and/or such other place or places as may be required by law, or by order of court, having first given notice of such sale by publication at least once in each of not less than four successive calendar weeks immediately preceding the date fixed for any such sale in one daily newspaper of general circulation, published in Milwaukee, Wiscinsin, and in at least one daily newspaper of general circulation published in the Borough of Manhattan, City and State of New York, and any other notice which may be required by law, and from time to time to adjourn such sale in their discretion by announcement at the time and place fixed for such sale without further notice, and upon such sale to make and deliver to the purchaser or purchasers a good and sufficient deed or deeds for the same, which sale shall be a perpetual bar, both at law and in equity, against the Company, and all persons and corporations lawfully claiming or who may clain by, through or under it.

Section 4. In the event of default by the Company in the performance of any of the covenants or conditions of this Indenture, the Trustees or either of them shall have the right and power to take appropriate judicial proceedings for the enforcement of their rights and the rights of the bondholders hereunder. In case of a completed default hereunder, the Trustees or either of them may either after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the bonds then outstanding hereunder and to forclose this Indenture and to sell the property subject to the lien of this Indenture under the judgment or decree of a court of competent jurisdiction; and it shall be obligatory upon the Trustees to take action, either by such proceedings or by the exercise of their powers with respect to entry or sale, as they may determine, [redacted] upon being requested to do so by the holders of twenty-five per cent (25%) in principal amount of (1) the bonds then outstanding hereunder, or (2) the bonds then outstanding hereunder primarily affected by such default and upon being indemnified as hereinafter provided.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustees or either of them or to the bondholders in intended to be exclusive of any other remedy. but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the bonds then outstanding hereunder, at any time, by an instrument in writing executed and delivered to the Trustee, may reasonably direct the method and place of conducting all proceedings to be taken for any sale of the property subject to the lien of this Indenture, or for the foreclosure of this Indenture, or for theappointment of a receiver or for the taking of any action authorized hereby or refraining therefrom; provided that such direction shall not be contrary to the provisions of law or of this Indenture.

Section 6. In case of a completed default hereunder and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustees or either of them and of the bondholders under this Indenture, the Trustees or either of them shall be entitled as a matter of right to the appointment of a receiver or receivers of the property subject to the lien of this Indenture, and of the income, rents, issues and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

Section 7. Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the principal of all bonds then outstanding hereunder, if not previously due, shall at once become and be immediately due and payable.

Section 8. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, any bondholder or bondholders, or the Trustees or either of them, may bid for and purchase the property subject to the lien of this Indenture and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in their or its own absolute right without further accountability, and/ any purchaser at any such sale may, in paying purchase money, deliver any of the bonds and coupons outstanding hereunder in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, subject, however, to the provisions in respect to extended, pledged and transferred coupons contained in Section 11 of this Article. Said bonds and coupons, in case the amounts so payable to the holders thereof shall be less than the amount due thereon, shall be returned to the holders thereof after being properly stamped to show partial payment.

Section 9. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the receipt of the Trustees or either of them or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustees or either of them or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or nonapplication thereof.

Section 10. Any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, of, in and to the prop-

erty so sold, and shall be a perpetual bar both at law and in equity against the Company, its successors and assigns and against any and all persons claiming or who may claim the property sold or any part thereof, from, through or under the Company, its successors or assigns.

Section 11. The proceeds of any sale made either under the power of sale hereby given, or under judgment or decree in any judicial proceeding for the foreclosure or otherwise for the enforcement of this Indenture, together with any other amounts of cash which may then be held by the Trustees or either of them, as part of the mortgaged and pledged property, and which by any other provision hereof are to be added to or treated as a part of the proceeds of sale, shall be applied as follows:

First. To the payment of all taxes, assessments or liens prior to the lien of this Indenture, except those subject to which such sales shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustees, their agents and attorneys, and of all other sums payable to the Trustees hereunder by reason of any expenses or liabilities incurred or advances made in connection with the management or administration of the trusts hereby created;

Second. To the payment in full of the amounts then due and unpaid for principal and interest upon the bonds then outstanding hereunder; and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, with interest on the overdue principal and/or interest, without preference or prioroty of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest; provided, however, that if the time for the payment of any coupon or claim for interest upon any of the bonds secured hereby shall have been extended, whether or not by or with the consent of the Company, or if any thereof at or after maturity shall have been transferred or pledged separate from the bond to which they relate, such coupons or claims for interest shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all bonds issued hereunder then outstanding and of all coupons and claims for interest on such bonds the payment of which has not been so extended, or not so transferred or pledged;

Third. Any surplus thereof remaining to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to reveive the same.

Section 12. In case of default on its part, as aforesaid, neither the Company nor any one claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property subject to the lien of this Indenture may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the property subject to the lien of this Indenture, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser orpurchasers thereat, but the Company, for itself and all who may claim through or under it, hereby waives the benefit of all such laws. The Company, for itself and all who may claim through or under it, hereby waives any and all right to have the estate comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may sell the property subject to the lien of this Indenture as an entirety.

Section 13. The Company covenants that if default shall be made in the payment of the principal of any of the bonds hereby secured when the same shall become payable, whether at the maturity of said bonds or by declaration as authorized by this Indenture, or in case of a sale as provided in Sections 3 or 7 of this Article XII or otherwise, then, upon demand of the Trustees or either of them, the Company will pay to the Trustee, for the benefit of the holders of such bonds and coupons so due and payable the whole amount due and payable on all such bonds and coupons for principal and interest, with interest at the rate of 6% per annum upon the overdue principal and/or interest; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustees or either of them in their own names and as trustees of an express trust shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid.

The Trustees or either of them shall be entitled to sue for and recover judgement as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the property subject to the lien of this Indenture, or otherwise for the enforcement of any of their rights, or the rights of the bondholders hereunder, and in case of a sale of any of the property subject to the lien of this Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees or either of them in their own names and as trustees of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all the bonds and coupons then outstanding hereunder, for the benefit of the holders thereof, and the Trustees or either of them shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustees or either of them and no levy of any execution upon any such judgment upon any of the property subject to the lien of this Indenture or upon any other property, shall in any manner or to any extent affect the lien of this Indenture upon the property subject to the lien of this Indenture or any part thereof, or any rights, powers or remedies of the Trustees or either of them hereunder, or any lien, rights, powers or remedies of the holders of the said bonds, but such lien, rights, powers and remedies of the Trustees and of the bondholders shall continue unimpaired as before.

Any moneys thus collected or received by the Trustees or either of them under this Section, shall be applied by them first, to the payment of their expenses, disbursements and compensation and the expenses, disbursements and compensation of their agents and attorneys and, second, toward payment of the amounts then due and unpaid upon such bonds and coupons in respect of which such moneys shall have been collected ratably and without preference or priority of any kind (subject to the provisions of Section 11 of this Article with respect to extended, transferred or pledged coupons), according to the amounts due and payable upon such bonds and coupons, respectively, at the date fixed by the Trustees for the distribution of such moneys, upon presentation of the several bonds and coupons and upon stamping such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

Section 14. All rights of action in favor of the Trustees or either of them arising under this Indenture, in respect of the bonds or coupons or otherwise may be enforced by the Trustees or either of them without the possession of any of the bonds or coupons or the production thereof on any trial or other proceedings relative thereto and any suit or proceeding instituted by the Trustees or either of them shall be brought in their names as Trustees and any recovery of judgment shall be for the equal benefit of the holders and registered owners of the bonds and coupons.

Section 15. No holder of any bond or coupon shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless such holder shall have previously given to the Trustees written notice of a default and of the continuance thereof as hereinbefore provided, nor unless also the holders of twenty-five per cent (25%) in principal amount of (1) the bonds then outstanding hereunder or (2) the bonds then outstanding hereunder primarily affected by the default shall have made written request to the Trustees and shall have afforded them reasonable opportunity to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own names; nor unless they shall have offered to the Trustees adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustees, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for foreclosure or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of outstanding bonds and coupons.

Nothing in this Section or elsewhere in this Indenture contained shall affect or impair the absolute and unconditional obligation of the Company to pay the principal and interest of the bonds in accordance with the terms thereof, to the respective holders or registered owners thereof and of the coupons attached thereto at the maturity thereof (whether by lapse of time or call for redemption), nor affect or impair the right of action of such holders to enforce such payment.

Section 16. The Company may, if permitted by law, waive any period of grace provided for in this Article.

Section 17. In case the Trustees or either of them shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustees, then and in every such case the Company and the Trustees shall be restored to their former positions and rights hereunder with respect to the property subject to the lien of this Indenture, and all rights, remedies and powers of the Trustees shall continue as if no such proceedings had been taken.

ARTICLE XIII.

Evidence of Rights of Bondholders and Ownership of Bonds.

Section 1. Any request, declaration or other instrument, which this Indenture may require or permit to be signed and executed by the bondholders, may be in any number of concurrent instruments of similar tenor, and shall be signed or executed by such bondholders in person or by attorney appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such attorney, or of the holding by any person of the bonds or coupons appertaining thereto, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(a) The fact and date of the execution by any person of such request or

other instrument or writing may be proved by the certificate of a notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution;

(b) The amount of bonds transferable by delivery held by any person executing such request or other instrument as a bondholder, and the issue and serial numbers thereof, held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, or other depositary wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depositary, the bonds described in such certificate. The Trustee may nevertheless in its discretion require further proof in cases where it deems further proof desirable. The ownership of registered bonds shall be proved by the registry books.

Any request, consent or vote of the owner of any bond shall bind all future owners of the same instrument in respect of anything done or suffered by the Company or the Trustees in pursuance thereof.

Section 2. The Company and the Trustees may deem and treat the bearer of any coupon bond outstanding hereunder, which shall not at the time be registered in the name of the owner thereof as hereinbefore authorized, and the holder of any coupon for interest on any such bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

The Company and the Trustees may deem and treat any person in whose name any registered bond without coupons outstanding hereunder shall be registered upon the books of the Company as hereinbefore provided, as the absolute owner of such bond for the purpose of receiving payment of or on account of the principal of and interest on such bond and for all other purposes, and they may deem and treat the person in whose name any coupon bond shall be so registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal thereof and for all other purposes, except to receive payment of interest represented by detached coupons; and all such payments so made to any such registered holder or upon his order, shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

ARTICLE XIV.

Effect of Merger, Consolidation, Etc.

Section 1. Nothing in this Indenture shall prevent any consolidation or merger of the Company with or into any corporation having corporate authority to carry on any business of the nature of a public utility, or any conveyance, transfer or lease, subject to this Indenture, of all mortgaged and pledged property as an entirety to any corporation lawfully entitled to acquire or lease and operate the same; provided, however, and the Company covenants and agrees, that such consolidation, merger, conveyance, transfer or lease shall be upon such terms as fully to preserve and in no respect to impair the lien, efficiency or security of this Indenture, or any of the rights or powers of

the Trustees or the bondholders hereunder; and provided, further, that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustees at any time during the continuance of a completed default hereunder, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that, upon any such consolidation, merger, conveyance or transfer, or upon any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby, the due and punctual payment of the principal and interest of all said bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be kept or performed by the Company, shall be assumed by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all the mortgaged property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby.

Section 2. In case the Company, pursuant to the next preceding section hereof, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the lien of this Indenture, all the mortgaged and pledged property, as an entirety, the successor corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid--upon executing an Indenture with the Trustees, satisfactory to the Trustee, and causing the same to be recorded, whereby such successor corporation shall assume and agree to pay, duly and punctually, the principal and interest on the bonds issued hereunder in accordance with the provisions of said bonds and coupons and this Indenture, and shall agree to perform and fulfill all the covenants and conditions of this Indenture binding upon the Company--shall succeed to and be substituted for the Company, with the same effect as if it had been named hereby, and in the bonds hereby secured as the mortgagor or obligor company, and shall have and may exercise under this Indenture and the bonds secured hereby the same powers and rights as the Company, and (without in any wise limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such successor corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of Mississippi Valley Public Service Company, any or all of such bonds which shall not theretofore have been executed by the Company and authenticated by the Trustee, and upon the order of such successor corporation in lieu of the Company, and subject to the terms, conditions and restrictions in this Indenture prescribed, concerning the authentication and delivery of bonds, the Trustee shall authenticate and deliver any of such bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and any of such bonds which such successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be executed and delivered to the Trustee for such purpose. All the bonds so issued shall in all respects have the same legal right and security as the bonds theretofore issued in accordance with the terms of this Indenture as though all of said bonds had been authenticated and delivered at the date of the execution hereof; provided, however, that as a condition precedent to the execution by such successor corporation and the authentication and delivery by the Trustee of any such additional bonds in respect of the construction or acquisition by the successor corporation of permanent additions, the indenture with the Trustees to be executed and caused to be recorded by the successor corporation as in this Section provided, shall contain a conveyance or transfer and mortgage in terms sufficient to include such permanent additions; and provided further that the lien of this Indenture and/or of the indenture so to be executed by such successor corporation so created shall have similar force, effect and standing as the lien of this Indenture would have if the Company had not been consolidated with or merged into such other corporation or had not conveyed or transferred, subject to this Indenture, all the mortgaged property as an entirety, as aforesaid, to such successor corporation, and had itself acquired or constructed such permanent additions, and requested the authentication and delivery of bonds under the provisions of this Indenture in respect thereto.

The Trustees may receive an opinion of counsel, as herein defined, as conclusive evidence that any such Indenture complies with the foregoing conditions and provisions of this Section.

Section 3. In case the Company, pursuant to Section 1 of this Article, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to this Indenture, all the mortgaged and pledged property as an entirety as aforesaid, neither this Indenture nor the indenture with the Trustees to be executed and caused to be recorded by the successor corporation as in Section 2 of this Article provided, shall, unless such indenture shall otherwise provide, become or be a lien upon any of the properties or franchises of the successor corporation except those acquired by it from the Company, and except permanent additions appurtenant thereto, and such franchises, repairs and additional property as may be acquired by the successor corporation in pursuance of the covenants herein contained to maintain, renew and preserve the franchises covered by this Indenture and to keep and maintain the mortgaged property in adequate repair, working order and condition, or in pursuance of some other covenant or agreement hereby to be kept or performed by the Company.

Section 4. At any time prior to the exercise of any power by this Article reserved to the Company or a purchasing or successor corporation, the Company may surrender any such power by delivery to the Trustee of an instrument in writing executed by its President or a Vice President under its corporate seal attested by its Secretary or an Assistant Secretary, accompanied by the affidavit of its Secretary or an Assistant Secretary, that the execution of such instrument was duly authorized by its Board of Directors, and thereupon the power so surrendered shall cease.

ARTICLE XV.

Concerning the Trustees.

Section 1. The Trustees accept the trust hereby created but only upon the terms and conditions set forth in this Article.

Section 2. The recitals of fact herein and in the bonds issued hereunder contained, shall be taken as statements of the Company and shall not be construed as made by the Trustees. The Trustees make no representations as to the value of any of the property subject to the lien of this Indenture or any part thereof, or as to the title of the Company thereto, or as to the security afforded thereby and hereby, or as to the validity of this Indenture or of the bonds or coupons issued hereunder, and the Trustees shall incur no responsibility in respect of such matters.

Section 3. The Trustees shall be under no duty to file or record or cause to be filed or recorded this Indenture or any instrument supplemental thereto as a mortgage, conveyance or transfer of real or personal property, or otherwise, or to re-file or re-record or renew the same, or to procure any further, other or additional instruments of further assurance, or to see to the delivery to them or either of them of any personal

property intended to be mortgaged or pledged hereunder, or to do any other act which may be suitable to be done for the better maintenance or continuance of the lien or security hereof, or for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any property intended now or hereafter to be conveyed in trust hereunder is subject to the lien hereof. The Trustees shall not be liable for failure of the Company to insure or renew insurance or for responsibilities of insurers, or for the failure of the Company to pay any tax or taxes in respect of the mortgaged and pledged property, or any part thereof, or otherwise, nor shall the Trustees be under any duty in respect to any tax which may be assessed against them or the owners of the bonds outstanding hereunder in respect of the mortgaged and pledged property. The Trustees shall be under no responsibility or duty with respect to the disposition of the bonds authenticated and delivered hereunder or the application of the proceeds thereof or the application of any moneys paid to the Company under any of the provisions hereof, and the provisions of this Indenture to the effect that bonds may be authenticated and delivered on account of the acquisition or construction of any plants, properties, permanent additions, extensions or improvements or any similar provisions shall not be construed as imposing any responsibility or duty upon the Trustees to see that such bonds or such proceeds are actually applied on account of such acquisition or construction. The Trustees, at their option, may do or perform any of such acts or things. The Trustee may, but shall not be obliged to, authenticate and deliver bonds prior to the recording or filing of this Indenture. In the event that one or more series of bonds shall be issued hereunder, convertible into capital stock of the Company, the Trustees shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of stock upon the surrender of any bond of such series for the purpose of conversion, and they assume no duty or obligation with respect thereto. The Trustees shall not be accountable in respect of the validity of any stock issued upon the conversion of any bond, and they shall not be deemed to make any representation in respect thereof.

Section 4. The Trustees shall not be personally liable for any debts contracted by them or either of them or for damages to persons or property injured or damaged or for salaries or for non-fulfillment of contract or for any other torts, obligations or liabilities arising or incurred during any period when the Trustees or either of them shall manage the mortgaged property pursuant to any power herein given. The Trustees shall have a lien on all of the mortgaged and pledged property and the proceeds thereof prior to that of the bonds and coupons issued hereunder to secure them against liability for any such cause.

Section 5. The Trustees may execute any of the trusts or powers hereof and perform any duty hereunder, either themselves or by or through their attorneys, agents or employees, and they shall not be answerable or accountable for any act, default, neglect, or misconduct of any such attorneys, agents or employees, if reasonable care has been exercised in the appointment and retention thereof, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for their own gross negligence or bad faith. The Trustees shall not be liable or responsible for paying any coupon contrary to the provisions of Section 2 of Article Vlll or of Section 11 of Article Xll unless at the time of such payment the Trustees have knowledge that such payment is contrary to the provisions of either or both of said sections.

Section 6. The Trustees shall be under no obligation or duty to perform any act hereunder or to institute or appear in, or defend any suit in respect hereof unless thereunto requested in writing and indemnified in advance to their reasonable satisfaction against all charges, loss or liability incident to or directly or indirectly resulting from the act, suit, appearance or defense requested. If any such indemnity becomes impaired the Trustees may call for additional indemnity and stop and cease to do the acts indemnified against until such additional indemnity is given. The Trustees shall not be required to ascertain or inquire as to the performance of any of the covenants or agreements herein contained on the part of the Company. The Trustees shall not be required to take notice, or be deemed to have knowledge, of any default of the Company hereunder and may conclusively assume that there has been no such default unless and until they shall have been specifically notified in writing of such default by the Company or by the holders of not less than ten per cent (10%) in principal amount of the bonds then outstanding hereunder or by the holders of not less than ten per cent (10%) in principal amount of the bonds then outstanding hereunder affected by such default. The Trustees shall not be under any obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the holders of twenty-five per cent (25%) in principal amount of (1) the bonds then outstanding hereunder, or (2) the bonds then outstanding hereunder primarily affected by such default; but this provision shall not limit any discretionary power herein given to the Trustees.

Section 7. Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or either of them on the Company shall be deemed to have been sufficiently given and served, for all purposes, by being deposited postage prepaid in a postoffice letter box, addressed (until another address is filed by the Company with the Trustee), as follows: Mississippi Valley Public Service Company, 1029 North Marshall Street, Milwaukee, Wisconsin, and after another address shall have been filed by the Company with the Trustee as aforesaid at the last address so filed.

Section 8. The Trustees shall not be bound to recognize any person as the holder of a bond outstanding hereunder unless and until his bond is submitted to the Trustees for inspection, if required, and his title thereto satisfactorily established if disputed.

Section 9. The Trustees shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by them or either of them to be genuine and to have been signed or presented by the proper party or parties. The Trustees may consult with counsel selected by them or either of them and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by them or either of them hereunder in good faith and in accordance with the opinion of such counsel and such action so taken or suffered shall be conclusive and binding upon the Company and on all holders of bonds issued under this Indenture. The Trustees shall not be under any responsibility for the selection, appointment or approval of any engineer or counsel for any of the purposes expressed in this Indenture.

Section 10. Upon any application for the authentication and delivery of bonds hereunder or for the payment of any moneys held by the Trustees or either of them under any provision of this Indenture, or for the execution of any release, or upon any other application to the Trustees or either of them hereunder, the resolutions, certificates, statements, opinions, reports and orders required by any of the provisions of this Indenture to be delivered to the Trustees or either of them as a condition of the grant-

ing of such application may be received by the Trustees or either of them as conclusive evidence of any fact or matter therein set forth and shall be full warrant, authority and protection to the Trustees or either of them in acting on the faith thereof, not only in respect of the facts but also in respect of the opinions therein set forth; and before granting any such application the Trustee or Trustees shall not be bound to make any further investigation into the matters stated in any such resolution, certificate, statement, opinion, report or order, but if requested in writing so to do by the holders of not less than twenty-five per cent (25%) in principal amount of the outstanding bonds and only if furnished with adequate security and indemnity against the costs and expense of such examination, the Trustee or Trustees shall make such further investigation as to them may seem fit. If the Trustees or either of them shall determine or shall be requested, as aforesaid to make such further inquiry, they shall be entitled to examine the books records and premises of the Company, either themselves or by agent or attorney; and unless satisfied with or without such examination, of the truth and accuracy of the matters stated in such resolution, certificate, statement, opinion, report or order, they shall be under no obligation to grant the application. If after such examination or other inquiry the Trustees or either of them shall determine to grant the application they shall not be liable for any action taken in good faith. The reasonable expense of every such examination shall be paid by the Company, or if paid by the Trustees or either of them shall be repaid by the Company, upon demand, with interest at the rate of six per cent (6%) per annum, and until such repayment shall be secured by a lien on the mortgaged and pledged property and the proceeds thereof prior to the lien of the bonds and coupons issued hereunder.

Section 11. Except as otherwise provided herein pending the application thereof, as herein provided, the Trustee is authorized to hold and/or deposit to its credit as Trustee hereunder in banks qualified by law to accept Federal funds for deposit all moneys received by it hereunder.

Section 12. The Company shall pay to the Trustees from time to time a reasonable compensation for all services rendered hereunder, and also all their reasonable expenses, charges, counsel fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the administration and execution of the trusts hereby created, and the performance of their powers and duties hereunder, and agrees to indemnify and save the Trustees harmless against any liabilities which they or either of them may incur in the exercise and performance of their powers and duties hereunder. In default of such payments by the Company, and as security for such indemnification, the Trustees shall have a lien therefor on the mortgaged and pledged property and the proceeds thereof prior to the lien of the bonds and coupons issued hereunder.

Section 13. Whenever in the administration of the trusts of this Indenture, the Trustees or either of them shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company and delivered to the Trustee, and such certificate shall be full warrant to the Trustees for any action taken or suffered by them or either of them under the provisions of this Indenture upon the faith thereof; but in their discretion the Trustees may in lieu thereof accept other evidence of such fact or matter or may require such further

evidence of such fact or matter or may require such further or additional evidence as to them or either of them may seem reasonable.

Section 14. The Trustee acting for itself or as banker may become a purchaser, seller, or pledgee of bonds and coupons secured hereby with the same rights that it would have if it were not Trustee and without liability or accountability to the Company or the bondholders or otherwise in respect of any such purchase, sale, or pledge by or to it of any such bonds and coupons. It may act as depository for, and permit any of its officers or directors to act as a member of, any committee formed to protect the rights of bondholders, or effect or aid in any reorganization growing out of the enforcement of the bonds or of this Indenture, whether or not any such committee shall represent the holders of a majority in principal amount of the bonds outstanding hereunder.

Section 15. Any action taken by the Trustees or either of them pursuant to any provision of this Indenture or of any supplemental indenture upon the request or with the consent of any person who at the time is the owner of any bond or bonds shall be conclusive and binding upon any future owner of the same bond or bonds.

Section 16. The Trustees or either of them, or any successor or successors hereafter appointed, or any of them, may at any time resign and be discharged of the trusts hereby created by giving written notice thereof to the Company, specifying a date when such resignation shall take effect, at least thirty (30) days preceding the date on which such resignation is to take effect and publishing such notice once in each of not less than three(3) successive calendar weeks immediately preceding the date on which such resignation is to take effect, in a daily newspaper of general circulation published at Milwaukee, Wisconsin, and in a like newspaper published in the Borough of Manhatten, City of New York, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the bondholders or the Company as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor trustee.

Section 17. Either or both of the Trustees, or any successor or successors hereafter appointed, may be removed at any time upon payment of the compensation to which the one so removed shall then be entitled and of the expenses which it shall have incurred in and about the performance of its duties hereunder, by any instrument or concurrent instruments in writing filed with the Trustee, or its successor in the trust, and signed by the holders of a majority in principal amount of the bonds then outstanding hereunder.

Section 18. In case at any time any Trustee, or any successor or successors hereafter appointed, shall resign, or shall be removed or shall become incapable of acting, or shall be dissolved or liquidated, or be in the process of dissolution or liquidation, or shall be adjudged a bankrupt or insolvent, or if a receiver of any Trustee or of any such successor or of its property shall be appointed, or if the Comptroller of the Currency or other public officer shall take charge or control of the Trustee or of any such successor or of its property or affairs, a successor or successors may be appointed by the holders of a majority in principal amount of the bonds then outstanding hereunder, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys in fact duly authorized, and delivered to such new Trustee, notification thereof being given to the Company, and the predecessor Trustee; provided, nevertheless, that until a new Trustee shall be appointed by the bondholders as aforesaid, the Company, by instrument executed by order of its Board of Directors and duly acknowledged by its proper officers, may appoint a Trustee to fill such vacancy

until a new Trustee shall be appointed by the bondholders as herein authorized. The Company shall publish notice of any such appointment by it made at least once in each of not less than two successive calendar weeks, in a daily newspaper of general circulation published at Milwaukee, Wisconsin, and in a like newspaper published in the Borough of Manhattan, City of New York. Any new Trustee appointed by the Company shall, immediately and without further act, be superseded by a trustee appointed by the bondholders, under the foregoing provisions of this Section, provided however, that any new Trustee appointed by the Company shall not be superseded by a Trustee appointed by the bondholders unless such appointment by the bondholders shall have been made within one year subsequent to the appointment of such new Trustee by the Company.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within six months after a vacancy shall have occurred in the office of Trustee, the holder of any bond outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company organized under the laws of the State of Wisconsin, or the State of Minnesota or a national banking association doing business in the State of Wisconsin or the State of Minnesota, having a capital and surplus aggregating at least One Million Dollars ($1,000,000), if there be such a bank or trust company or national banking association willing and able to accept the trust on reasonable and customary terms.

Section 19. At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any state in which any part of the mortgaged and pledged property then subject to this Indenture may be located, the Company and the Trustee shall have power to appoint, and, upon the request of the Trustee, the Company shall for such purpose join with the Trustee in the execution, delivery and recording of all instruments and agreements necessary or proper to appoint another corporation or one or more persons, approved by the Trustee, either to act as separate trustee or trustees, or co-trustee or co-trustees jointly with the Trustees of all or any of the property subject to the lien hereof. In the event that the Company shall not have joined in any such appointment within twenty days after the receipt by it of a request so to do, the Trustee alone shall have power to make such appointment.

Every separate trustee, every co-trustee and every successor trustee, other than any trustee which may be appointed as successor to First Wisconsin Trust Company, shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, and George B. Luhman, the Co-Trustee hereinbefore named and his successors shall also be and act subject to the following provisions and conditions, namely:

(1) The bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustees in respect of the custody of all funds and any securities pledged hereunder, shall be exercised solely by First Wisconsin Trust Company, or its successors in the trust hereunder;

(2) No power shall be exercised hereunder by any such separate trustee or trustees or co-trustee or co-trustees, or successor or successors thereto, except jointly with or upon the consent in writing of First Wisconsin Trust Company, or its successor in the trust; and

(3) The Company and the Trustee, at any time by an instrument in writing executed by them jointly, may remove the Co-Trustee or any separate trustee or co-trustee acting as such under this Indenture or appointed under this Section, and may likewise and in like manner appoint a successor to such Co-Trustee or separate trustee or co-trustee so removed, anything herein contained to the contrary notwithstanding.

Any notice, request or other writing, by or on behalf of the holders of the bonds issued hereunder, delivered solely to First Wisconsin Trust Company, or its successors in the trust, shall be deemed to have been delivered to all of the then trustees as effectually as if delivered to each of them. Every instrument appointing any trustee or trustees other than a successor to First Wisconsin Trust Company, shall refer to this Indenture and the conditions in this Section expressed, and upon the acceptance in writing by such trustee or trustees, he, they or it shall be vested with the estate or property specified in such instrument, either jointly with First Wisconsin Trust Company, or its successor, or separately, as may be provided therein, subject to all the trusts, conditions and provisions of this Indenture; and every such instrument shall be filed with First Wisconsin Trust Company, or its successors in the trust. The Co-Trustee and any separate trustee or trustees or any co-trustee or co-trustees may at any time by an instrument in writing constitute First Wisconsin Trust Company, or its successors in the trust hereunder his, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and in behalf of him, them or it, and in his, their or its name. The Co-Trustee and any separate trustee or co-trustee may as to the execution of releases or as to any action hereunder, whether discretionary or otherwise, act by attorney in fact. In case the Co-Trustee or any separate trustee or trustees or co-trustee or co-trustees, or a successor to either of them, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of said Co-Trustee, separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by First Wisconsin Trust Company, or its successor in trust, until the appointment of a new trustee as successor to such Co-Trustee, separate trustee or co-trustee as above provided.

Section 20. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor trustee, and also to the Company, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as Trustee or Co-Trustee herein; but the trustee ceasing to act, shall nevertheless, on the written request of the Company, or of the successor trustee, but at the cost and expense of the Company, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor trustee all the right, title and interest of the trustee, to which he or it succeeds, and to the mortgaged and pledged property and such rights, powers, trusts, duties and obligations, and the trustee ceasing to act shall also, upon like request, pay over, assign and deliver to the successor trustee any money or other property subject to the lien of this Indenture, which may then be in his or its possession. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee

for more fully and certainly vesting in and confirming to such new trustee such estate, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company. A recital in any instrument executed by the Company and the new trustee that the appointment of such new trustee has been made by the requisite number of bondholders shall be deemed conclusive as to the appointment of such new trustee by such requisite number of bondholders. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor trustee hereunder, together with deeds, conveyances and other instruments provided for in this Article, shall forthwith, at the expense of the Company, be filed for record in the same office or offices in which this Indenture shall have been recorded.

Section 21. Any company or bank into which the Trustee or any successor to it in the trusts created by this Indenture may be merged, or converted, or with which it or any successor to it may be consolidated, or any company or any bank resulting from any merger, conversion or consolidation to which the Trustee or any successor to it shall be a party, or which shall otherwise succeed to the business and affairs of the Trustee, shall be successor trustee under this Indenture without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything herein contained to the contrary notwithstanding, provided such successor trustee shall be a corporation organized under the laws of the State of Wisconsin, or a national banking association, and shall have an office for the transaction of its business in the State of Wisconsin. In case any of the bonds issuable under this Indenture shall have been authenticated, but not delivered, any such successor trustee may adopt the certificate of authentication of First Wisconsin Trust Company, or of any successor to it, as trustee hereunder, and deliver the same so authenticated; and in case any of the bonds issuable hereunder shall not have been authenticated, any successor trustee may authenticate such bonds either in the name of any predecessor trustee or in the name of such successor trustee, and in all such cases such authentication shall have the full force and effect which anywhere in said bonds or in this Indenture it is provided that the authentication of the Trustee shall have; provided, however, that the right to authenticate bonds in the name of First Wisconsin Trust Company, shall extend only to its successor by conversion, merger or consolidation.

Section 22. In the event of proceedings for reorganization of the Company under Article X of the Bankruptcy Act or any bankruptcy proceeding against the Company or any similar proceeding, the Trustee is authorized and empowered to file a claim or claims therein for and on behalf of the holders of all or any of the bonds secured hereby without prejudice however, to the right of any bondholder to file a claim in his own behalf.

Section 23. Nothing in this Article contained, however, shall be construed to deprive any holder or holders of any of the bonds hereby secured of any legal or equitable remedy that such holder or holders may have by reason of fraud, collusion, gross negligence or wilful misconduct.

ARTICLE XVl.

Discharge of Mortgage

The Trustees (and any trustee appointed pursuant to Section 19 of Article XV hereof) may, and upon request of the Company shall, cancel and discharge the lien of these presents, and execute and deliver to the Company such deeds and instruments as shall be requisite to satisfy the lien hereof, and reconvey and transfer to the Company the mortgaged and pledged property, whenever all indebtedness secured hereby shall have been paid, including all proper charges of the Trustees hereunder. For this purpose bonds for the purchase or redemption of which money shall have been set apart by or paid to the Trustee under the provisions of Article lX, Article X or Article Xl hereof and bonds for the payment of the principal and interest of which moneys shall have been deposited in trust with the Trustee shall be deemed to be paid provided that as to bonds to be redeemed, the notice provided for in respect of their redemption shall have been given or arrangements satisfactory to the Trustee for the giving of such notice shall have been made.

ARTICLE XVll.

Modification of Indenture.

Section 1. Modification and alterations of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of outstanding bonds and coupons issued hereunder may be made as provided in the nine next succeeding sections hereof.

Section 2. The Trustee may at any time call a meeting of the bondholders and it shall call such a meeting on the written request of the Company, given pursuant to a resolution of its Board of Directors, or of the holders of fifteen per cent (15%) or more in principal amount of the bonds outstanding hereunder at the time of such request. In the event of the Trustee's failing for ten (10) days to call a meeting after being thereunto requested by the Company or the bondholders as above set forth, holders of outstanding bonds to the amount above specified in this Section or the Company, pursuant to resolution of its Board of Directors, may call such meeting. Every such meeting called by and at the instance of the Trustee shall be held at the principal office of the Trustee in Milwaukee, Wisconsin, or, with the written approval of the Company, at any other place in the United States of America, and written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Trustee not less than thirty (30) days before such meeting (a) to each registered holder of bonds then outstanding hereunder addressed to him at his address appearing on the registry books, (b) to each holder of any such bond payable to bearer who shall have filed with the Trustee an address for notices to be addressed to him, and (c) to the Company addressed to it at 1029 North Marshall Street, Milwaukee, Wisconsin (or at such other address as may be designated by the Company from time to time) and shall be published by the Trustee at least once a week for three (3) successive calendar weeks immediately preceding the meeting in a daily newspaper of general circulation published at Milwaukee, Wisconsin, and in a like newspaper published in the Borough of Manhattan, City of New York; provided, however, that the mailing of such notice to any such bondholders shall in no case be a condition precedent to the validity of any action taken at such meeting. If such meeting is called by or at the instance either of the Company or the bondholders, it shall be held at such place in the United States of America as may be specified in the notice calling such meeting and notice thereof shall be sufficient for all purposes hereof if given by newspaper publication as aforesaid stating the place and time of the meeting and in general terms the business to be transacted. Any meeting of bondholders shall be valid without notice if the holders of all bonds then outstanding hereunder are present in person or by proxy and if the Company and the Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by the Company, the holders of all bonds outstanding hereunder or by such as are not present in

for more fully and certainly vesting in and confirming to such new trustee such estate, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company. A recital in any instrument executed by the Company and the new trustee that the appointment of such new trustee has been made by the requisite number of bondholders shall be deemed conclusive as to the appointment of such new trustee by such requisite number of bondholders. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor trustee hereunder, together with deeds, conveyances and other instruments provided for in this Article, shall forthwith, at the expense of the Company, be filed for record in the same office or offices in which this Indenture shall have been recorded.

Section 21. Any company or bank into which the Trustee or any successor to it in the trusts created by this Indenture may be merged, or converted, or with which it or any successor to it may be consolidated, or any company or any bank resulting from any merger, conversion or consolidation to which the Trustee or any successor to it shall be a party, or which shall otherwise succeed to the business and affairs of the Trustee, shall be successor trustee under this Indenture without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything herein contained to the contrary notwithstanding, provided such successor trustee shall be a corporation organized under the laws of the State of Wisconsin, or a national banking association, and shall have an office for the transaction of its business in the State of Wisconsin. In case any of the bonds issuable under this Indenture shall have been authenticated, but not delivered, any such successor trustee may adopt the certificate of authentication of First Wisconsin Trust Company, or of any successor to it, as trustee hereunder, and deliver the same so authenticated; and in case any of the bonds issuable hereunder shall not have been authenticated, any successor trustee may authenticate such bonds either in the name of any predecessor trustee or in the name of such successor trustee, and in all such cases such authentication shall have the full force and effect which anywhere in said bonds or in this Indenture it is provided that the authentication of the Trustee shall have; provided, however, that the right to authenticate bonds in the name of First Wisconsin Trust Company, shall extend only to its successor by conversion, merger or consolidation.

Section 22. In the event of proceedings for reorganization of the Company under Article X of the Bankruptcy Act or any bankruptcy proceeding against the Company or any similar proceeding, the Trustee is authorized and empowered to file a claim or claims therein for and on behalf of the holders of all or any of the bonds secured hereby without prejudice however, to the right of any bondholder to file a claim in his own behalf.

Section 23. Nothing in this Article contained, however, shall be construed to deprive any holder or holders of any of the bonds hereby secured of any legal or equitable remedy that such holder or holders may have by reason of fraud, collusion, gross negligence or wilful misconduct.

ARTICLE XVI.

Discharge of Mortgage

The Trustees (and any trustee appointed pursuant to Section 19 of Article XV hereof) may, and upon request of the Company shall, cancel and discharge the lien of these presents, and execute and deliver to the Company such deeds and instruments as shall be requisite to satisfy the lien hereof, and reconvey and transfer to the Company the mortgaged and pledged property, whenever all indebtedness secured hereby shall have been paid, including all proper charges of the Trustees hereunder. For this purpose bonds for the purchase or redemption of which money shall have been set apart by or paid to the Trustee under the provisions of Article IX, Article X or Article XI hereof and bonds for the payment of the principal and interest of which moneys shall have been deposited in trust with the Trustee shall be deemed to be paid provided that as to bonds to be redeemed, the notice provided for in respect of their redemption shall have been given or arrangements satisfactory to the Trustee for the giving of such notice shall have been made.

ARTICLE XVII.

Modification of Indenture.

Section 1. Modification and alterations of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of outstanding bonds and coupons issued hereunder may be made as provided in the nine next succeeding sections hereof.

Section 2. The Trustee may at any time call a meeting of the bondholders and it shall call such a meeting on the written request of the Company, given pursuant to a resolution of its Board of Directors, or of the holders of fifteen per cent (15%) or more in principal amount of the bonds outstanding hereunder at the time of such request. In the event of the Trustee's failing for ten (10) days to call a meeting after being thereunto requested by the Company or the bondholders as above set forth, holders of outstanding bonds to the amount above specified in this Section or the Company, pursuant to resolution of its Board of Directors, may call such meeting. Every such meeting called by and at the instance of the Trustee shall be held at the principal office of the Trustee in Milwaukee, Wisconsin, or, with the written approval of the Company, at any other place in the United States of America, and written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Trustee not less than thirty (30) days before such meeting (a) to each registered holder of bonds then outstanding hereunder addressed to him at his address appearing on the registry books, (b) to each holder of any such bond payable to bearer who shall have filed with the Trustee an address for notices to be addressed to him, and (c) to the Company addressed to it at 1029 North Marshall Street, Milwaukee, Wisconsin (or at such other address as may be designated by the Company from time to time) and shall be published by the Trustee at least once a week for three (3) successive calendar weeks immediately preceding the meeting in a daily newspaper of general circulation published at Milwaukee, Wisconsin, and in a like newspaper published in the Borough of Manhattan, City of New York; provided, however, that the mailing of such notice to any such bondholders shall in no case be a condition precedent to the validity of any action taken at such meeting. If such meeting is called by or at the instance either of the Company or the bondholders, it shall be held at such place in the United States of America as may be specified in the notice calling such meeting and notice thereof shall be sufficient for all purposes hereof if given by newspaper publication as aforesaid stating the place and time of the meeting and in general terms the business to be transacted. Any meeting of bondholders shall be valid without notice if the holders of all bonds then outstanding hereunder are present in person or by proxy and if the Company and the Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by the Company, the holders of all bonds outstanding hereunder or by such as are not present in

person or by proxy and by the Trustee.

Section 3. Officers and nominees of the Trustee and of the Company may attend such meeting, but shall not be entitled to vote thereat. Attendance by bondholders may be in person or by proxy. In order that the holders of bonds payable to bearer and their proxies may attend without producing their bonds, the Trustee, with respect to any such meeting called by the Trustee, may make and from time to time vary such regulations as it shall think fit for deposit of bonds with any banks, bankers or trust companies, and for the issue to the persons depositing the same of certificates by such depositaries entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting in the same way as if the persons so present and voting, either personally or by proxy, were the actual bearers of the bonds in respect of which such certificates shall have been issued, and any regulations so made shall be binding and effective. If any such meeting shall have been called by bondholders or by the Company as aforesaid upon failure of the Trustee to call the same after having been so requested to do under the provisions of the preceding section hereof, regulations to like effect for such deposit of bonds with and issue of certificates by any bank or trust company organized under the laws of the United States of America or of any state thereof, having a capital of not less than Five Hundred Thousand Dollars ($500,000), shall be similarly binding and effective for all purposes hereof if adopted or approved by the bondholders calling such meeting or by the Board of Directors of the Company, if such meeting shall have been called by the Company, provided that in either such case copies of such regulations shall be filed with the Trustee. Modifications of any such regulations, whether made by the Trustee, the Company or the bondholders, shall not be made during the period from the date of first publication of notice of any such meeting to the final adjournment thereof.

Section 4. Subject to the restrictions specified in Section 3 and of Section 7 of this Article, any registered holder of bonds outstanding hereunder and any holder of a certificate provided for in the preceding section hereof, shall be entitled in person or by proxy to attend and vote at such meeting as holder of the bonds registered or certified in the name of such holder without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by any authorized representative of the Trustee or the Company or by any other bondholder, produce the bonds claimed to be owned or represented at such meeting, and everyone seeking to attend or vote shall, if required as aforesaid, produce such further proof of bond ownership or personal indentity as shall be satisfactory to the authorized representative of the Trustee, or if none be present then to the Inspectors of Votes hereinafter provided for. Proxies shall be acknowledged as required for an instrument to be recorded in the State of Wisconsin, and all proxies and certificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Trustee.

Section 5. Persons named by the Trustee if represented at the meeting shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, the bondholders and proxies present/to fill such vacancy or vacancies. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the bondholders and proxies present by a majority vote irrespective of the amount of their holdings. The Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary, both temporary and permanent, shall by the vote of the persons owning the majority in amount of the bonds represented at the meeting, elect other persons from those present,

as aforesaid, and who shall make and file with the permanent Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting the vacancy shall be filled by appointment by the permanent Chairman of the meeting.

Section 6. Subject to the provisions of Section 10 of this Article, the holders of not less than eighty per cent (80%) in principal amount of the bonds outstanding hereunder when such meeting is held must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn; provided, however, that if such meeting is adjourned by less than a quorum for more than fourteen (14) days, notice thereof shall forthwith be mailed by the Trustee if such meeting shall have been called by the Trustee (a) to the Company addressed to it at 1029 North Marshall Street, Milwaukee, Wisconsin (or at such other address as may be designated by the Company in writing from time to time), (b) to each registered holder of bonds then outstanding hereunder addressed to him at his address appearing on the registry books, and (c) to each holder of any such bond payable to bearer who shall have filed with the Trustee an address for notices addressed to him at such address, and shall be published at least once in each fourteen (14) day period of such adjournment in a daily newspaper of general circulation published at Milwaukee, Wisconsin, and in a like newspaper published in the Borough of Manhattan, City of New York. The failure to mail such notice to any such bondholder as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called by bondholders or by the Company after the failure of the Trustee to call the same after being requested so to do in accordance with the provisions of Section 2 of this Article, notice of such adjournment shall be given by the permanent Chairman and permanent Secretary of the meeting in the newspapers and for the number of times above specified in this Section and shall be sufficient if so given.

Section 7. Subject to the provisions of Section 10 of this Article, any modification or alteration of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of bonds and coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote of the holders of eighty per cent (80%) or more in principal amount of the bonds outstanding hereunder when such meeting is held, and approved by resolution of the Board of Directors of the Company as hereinafter specified; provided, however, that no such modification or alteration shall, without the consent of the holder of any bond issued hereunder affected thereby, permit (1) the extension of the maturity of the principal of such bond, or (2) the reduction in the rate of interest thereon or any other modification in the terms of payment of such principal or interest, or (3) the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the property mortgaged or pledged hereunder, or (4) the deprivation of any non-assenting bondholder of a lien upon the mortgaged and pledged property for the security of his bonds (subject only to the lien of taxes for the then current year, the lien of taxes, assessments or governmental charges not then delinquent and to any mortgage or other liens existing upon said property which are prior hereto at the date of the calling of any such bondholders' meeting), or (5) the reduction of the percentage required by the provisions of this Section for the taking of any action under

this Section with respect to any bond outstanding hereunder. For all the purposes of this Article the Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, as to which any action taken at such meeting affects the rights under this Indenture or under any indenture supplemental hereto of any holders of bonds then outstanding hereunder.

Bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, if challenged by any other bondholder at such meeting and such ownership, benefit or interest is established, shall not be deemed outstanding for the purpose of any vote.

Section 8. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the permanent Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts showing a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under the provisions of Section 6 of this Article, and showing that said notices were mailed and published as provided in Section 2 of this Article, and, in a proper case, as provided in Section 6 of this Article. Such record shall be signed and verified by the affidavits of the permanent chairman and the permanent Secretary of the meeting, and one duplicate thereof shall be delivered to the Company and the other to the Trustee for preservation by the Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and if such record shall also be signed and verified by the affidavit of a duly authorized representative of the Trustee, such meeting shall be deemed conclusively to have been duly convened and held and such records shall be conclusive, and any resolution or proceeding stated in such to have been adopted or taken, shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Trustee to each registered holder of bonds outstanding hereunder addressed to him at his address appearing on the registry books and to each holder of any such bond payable to bearer who shall have filed with the Trustee an address for notices, addressed to him at such address, and proof of such mailing by the affidavit of some person having knowledge of the fact shall be filed with the Trustee, but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof. No such resolution shall be binding until and unless such resolution is approved by resolution of the Board of Directors of the Company, of which such resolution of approval, if any, it shall be the duty of the Company to file a copy certified by the Secretary or an Assistant Secretary of the Company with the Trustee, but if such resolution of the Board of Directors of the Company is adopted and a certified copy thereof is filed with the Trustee, the resolution so adopted shall be deemed conclusively to be binding upon the Company, the Trustees and the holders of all bonds and coupons issued hereunder, at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution, or annulling the action taken thereby in a legal action or equitable proceeding for such purposes commenced within such sixty (60) day period; provided, however, that no such resolution of the bondholders, or of the Company, shall in any manner be so construed as to change or modify any of the rights, immunities or obligations of the Trustees without their written assent thereto.

Section 9. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Trustee as to the action taken at meetings of bondholders theretofore held, and upon demand of the holder of any bond outstanding at the date of any such meeting and presentation of his bond for the purpose

at the principal office of the Trustee, the Company shall cause suitable notation to be made on such bond by endorsement or otherwise as to any action taken at any meeting of bondholders theretofore held. If the Company or the Trustee shall so determine new bonds so modified as in the opinion of the Trustee and the Board of Directors of the Company to conform to such bondholders' resolution shall be prepared, authenticated and delivered, and upon demand of the holder of any bond then outstanding and affected thereby shall be exchanged without cost to such bondholder for bonds then outstanding hereunder upon surrender of such bonds with all unmatured coupons appertaining thereto. The Company or the Trustee may require bonds outstanding to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any indenture supplemental hereto made at any bondholders' meeting and approved by resolution of the Board of Directors of the Company, as aforesaid, may be executed by the Trustees and the Company and upon demand of the Trustee or if so specified in any resolution adopted by any such bondholders' meeting, shall be executed by the Company and the Trustees.

Section 10. Notwithstanding anything in this Article contained, the Company may at any time, or from time to time, by resolution of the Board of Directors filed with the Trustee, stipulate that from and after the date of the filing of such resolution with the Trustee, none of the provisions of this Article shall be of any force and effect whatever either as respects (1) all bonds theretofore authenticated and delivered by the Trustee hereunder and then outstanding and/or (2) as to any bonds and/or all bonds thereafter authenticated and delivered by the Trustee hereunder, and in any such event a supplemental indenture setting out in detail the stipulations contained in such resolution shall be made.

ARTICLE XVIII.

Immunity of Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any bond or coupon, or under or upon any indebtedness hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator or past, present, or future stockholder, officer or director of the Company, or of any predecessor or successor company or companies, or of any company or companies which may assume or guarantee the payment of the principal or interest of any of the bonds hereby secured, either directly or through the Company by the enforcement of any assessment, or through any receiver, or assignee, or through any trustee in bankruptcy or by any other legal or equitable proceedings, whether for amounts unpaid on stock subscriptions or for stock liability or any other liability or penalty, or on the ground of any representation, implication or inference, arising from or concerning the capitalization of the Company, or of any predecessor, assignee, grantee, or successor company or companies, or otherwise, and whether by virtue of any statute, constitution, contract, express or implied, rule of law, or otherwise; it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, the incorporators or past, present or future stockholders, officers or directors of the Company, or of any predecessor or successor company or companies, or of any company which may assume or guarantee the payment of the principal or interest of the bonds secured hereby, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the bonds or coupons, or to be implied therefrom; and that any and all personal liability of every name and nature, and any and all rights

and claims against every such incorporator and past, present or future stockholder, officer or director, whether arising at common law or in equity, or created or to be created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the bonds and interest obligations hereby secured.

ARTICLE XlX.

Miscellaneous

Section 1. Nothing in this Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the bonds outstanding hereunder, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding hereunder.

Section 2. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of this Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any real property at the time subject to the lien hereof shall be situated. Such instrument, executed and acknowledged as aforesaid, shall be delivered to the Trustees and thereupon any modification of the provisions of these presents therein set forth, authorized by this Section shall be binding upon the parties hereto, their successors and assigns, and the holders of the bonds and coupons hereby secured.

Section 3. The Company and the Trustees may from time to time and at any time if by the Company deemed necessary or advisable, enter into such indentures or agreements supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures or agreements shall thereafter form a part hereof) for one or more of the following purposes:

(a) To correct the description of any property hereby mortgaged or pledged or intended so to be; to assign, convey, mortgage, pledge, transfer and set over unto the Trustees, subject to such liens or other incumbrances as shall be therein specifically described, additional property or properties of the Company for the equal and proportionate benefit and security of the holders of all bonds at any time issued and outstanding under this Indenture, subject, however, to any provision of this Indenture or of any indenture or agreement supplemental hereto, relating to a sinking fund, or similar fund, for the benefit of the bonds of any particular series.

(b) To provide the terms and conditions of the issue of the bonds of any series not expressly provided for in this Indenture; provided that such terms and conditions of issue shall not be contrary to or inconsistent with the provisions of this Indenture.

(c) To provide that the principal of the bonds of any particular series may be converted at the option of the holders into the capital stock of the

Company, or into any other security whatsoever and the terms and conditions of such conversion.

(d) To provide for the creation of a sinking fund, or similar fund, for the purchase, redemption, acquisition or retirement in any manner, of all or any part of the bonds of any particular series or of all or any part of the bonds secured hereby.

(e) To evidence the succession of another corporation to the Company or successive successors and the assumption by such successor corporation of the covenants and obligations of the Company under this Indenture.

(f) For any other purpose not inconsistent with the terms of this Indenture or for the purpose of curing any error or omission or ambiguity or defective provisions contained herein, or in any supplemental indenture.

Section 4. The terms and conditions contained in any supplemental indenture or agreement as to any provisions authorized to be contained therein under paragraphs (b), (c) and (d) of the next preceding section may, if deemed necessary or advisable by the Trustee, be set forth in reasonable and customary manner in the bonds of the particular series to which said supplemental indenture or agreement shall apply. In case of the execution and delivery of any supplemental indenture or agreement, express reference may be made thereto in the text of the bonds of any series issued hereunder, if deemed necessary or advisable by the Trustee.

Section 5. All moneys deposited with or paid to or set apart in trust by the Trustee for the redemption or prior payment of bonds, or for the payment of bonds and/or coupons issued hereunder upon the maturity thereof, or otherwise, shall be held by the Trustee in trust for the account of the respective holders and registered owners of such bonds and coupons and shall be paid, when due, to the respective bearers and registered owners thereof upon presentation and surrender thereof, accompanied by such duly executed instruments of transfer as may be required by the Company or the Trustee in the case of bonds registered as to principal.

In case the holder of any such bond or coupon shall not, within six (6) years after such bond or such coupon, as the case may be, shall have become due and payable, claim the amount held by the Trustee for the payment thereof, the Trustee shall, upon demand, pay over to the Company such amount so held if the Company is not at the time in default hereunder, and the Trustee shall thereupon be relieved from all responsibility to the holder thereof.

Section 6. In case the principal of any of the bonds shall not be punctually paid when due at maturity, whether by declaration or a lapse of time, and/or in case any installment of interest thereon shall not be punctually paid when due, then upon deposit with or receipt by the Trustee of moneys sufficient to pay such overdue principal and/or such overdue installment or installments of interest thereon (together with moneys sufficient to pay interest due and to become due thereon up to the date when interest upon such overdue principal and/or installment or installments of interest shall cease as herein provided), interest on such overdue principal and/or installment or installments of interest thereon shall cease to accrue thirty (30) days after the date of the publication by the Company of a notice, stating that said moneys have been so deposited or received, in one daily newspaper of general circulation published in the City of Milwaukee, Wisconsin, and in one daily newspaper of general circulation published in each other city, if any, in which such principal or interest may have been made payable.

Section 7. In case any one or more of the provisions contained in this Indenture or in the bonds issued hereunder or coupons should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected, impaired, prejudiced or disturbed thereby.

Section 8. Although this Indenture for convenience and for the purpose of reference is dated November 1, 1938, the actual date of execution by the Company and by the Trustees is as indicated by their respective acknowledgments hereto annexed.

Section 9. The Trustee shall, on the written request of the Company, cremate any bonds and/or coupons cancelled by the Trustee and make in duplicate a certificate of such cremation, retaining one such certificate and delivering the other to the Company and each such certificate shall be conclusive evidence of the payment and cancellation of the bonds and/or coupons therein mentioned for the purpose of release of this Indenture and for all other purposes whatsoever.

Section 10. Whenever in this Indenture any party hereto is named or referred to, this shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and enure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

The descriptive headings of the several Articles of this Indenture were formulated, used and inserted in this Indenture for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 11. This Indenture shall be simultaneously executed in several counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

The amount of the obligations issued or to be issued forthwith hereunder is Two Million One Hundred Thousand Dollars ($2,100,000).

The Company hereby acknowledges that at the time of the making and delivery of this Indenture the Trustees delivered to it a full, true and correct copy thereof.

In Witness Whereof, the party of the first part has caused its corporate name and seal to be hereunto affixed and this Indenture to be signed by its President or a Vice President, and attested by its Secretary or an Assistant Secretary, for and in its behalf, and the said First Wisconsin Trust Company one of the parties of the second part, to evidence its acceptance of the trust hereby created, has caused its corporate name and seal to be hereunto affixed, and this Indenture to be signed by its President or a Vice President, and attested by its Secretary or an Assistant Secretary, for and in its behalf, and said George B. Luhman, one of the parties of the second part, to evidence his acceptance of the trust hereby created, has hereunto set his hand and seal, all done as of the first day of November, 1938.

Mississippi Valley Public Service Company,

By ---------- J. P. Pulliam ----------

President.

(CORPORATE SEAL)

Attest:

---------- Theodore F. Kaap ----------

Secretary.

Executed by Mississippi Valley Public Service Company, in the presence of:

--------- M. P. Seifirz ----------

R. W. Mc Kinnon

---------- Witnesses.

First Wisconsin Trust Company,

By ------ H. W. Grove ----------
Vice President.

(CORPORATE SEAL)

Attest:

W. I. Barth

---------- Secretary.

Executed by First Wisconsin Trust Company, in the presence of:

--- M. P. Seifirz ----------

Milton H. Klug

---------- Witnesses.

-------- George B. Luhman ---------- Seal --

Executed by George B. Luhman in the presence of:

---- M. P. Seifirz ----------

Milton H. Klug

---------- Witnesses.

STATE OF WISCONSIN, }
MILWAUKEE, COUNTY, } ss.:

Personally came and appeared before me, a Notary Public within and for said County, on this --10th--day of November, 1938, the within named --J. P. Pulliam--------, ----------President, and --Theodore F. Kaap--, ----------Secretary, of Mississippi Valley Public Service Company, to me personally known and to me known to be the ----------President and ---------- Secretary of said corporation described in and which executed the foregoing instrument, and to me known to be the persons who as such officers executed the foregoing instrument and acknowledged the same, who being each by me duly sworn, did say that they are respectively the ----------President and ----------Secretary of the Mississippi Valley Public Service Company, the corporation named in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and stockholders, and said --J. P. Pulliam-------- and --Theodore F. Kaap---------- acknowledged said instrument to be the free act and deed of said corporation, and that they executed said instrument as such officers.

---------- Richard F. Mooney --------
Notary Public, Milwaukee County, Wisconsin

My commission expires: October 5, 1941---

(NOTARIAL SEAL)

STATE OF WISCONSIN,)
MILWAUKEE COUNTY,) ss.:

Personally came and appeared before me, a Notary Public within and for said County on this 10th day of November, 1938, the within named H. W. Grove, Vice President, and W. I. Barth, Secretary, of First Wisconsin Trust Company, to me personally known and to me known to be the Vice President and Secretary of said corporation described in and which executed the foregoing instrument, and to me known to be the persons who as such officers executed the foregoing instrument and acknowledged the same, who being each be me duly sworn, did say that they are respectively the Vice President and Secretary of First Wisconsin Trust Company, the corporation named in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said H. W. Grove and W. I. Barth acknowledged said instrument to be the free act and deed of said corporation, and that they executed said instrument as such officers.

M. P. Seifirz
Notary Public, Milwaukee County, Wisconsin

My commission expires: Aug. 31, 1941

(NOTARIAL SEAL)

STATE OF WISCONSIN,)
MILWAUKEE COUNTY,) ss.:

Personally came and appeared before me, a Notary Public within and for said County, on this 10th day of November, 1938, the above named George B. Luhman to me known to be the person described in, and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

M. P. Seifirz
Notary Public, Milwaukee County, Wisconsin

My commission expires: Aug. 31, 1941

(NOTARIAL SEAL)

SCHEDULE A.

The property referred to in the granting clauses in the foregoing First Mortgage and Deed of Trust from Mississippi Valley Public Service Company to First Wisconsin Trust Company and George B. Luhman, Trustees, dated November 1, 1938, includes parts and parcels of real property and other property hereinafter more specifically described, which descriptions, however are not intended to limit or impair the scope or intent of the general descriptions contained in the granting clauses or elsewhere in said First Mortgage and Deed of Trust.

I.

The following lands in Jackson County, in the State of Wisconsin, to-wit:

That part of Lot One (1) lying east of the right-of-way of the C.St.P.M.& O. Railway as established; Lot Two (2) excepting the South forty (40) acres thereof; Lot Eight (8), excepting the North forty (40) acres thereof; Lots Three (3), Four (4), Five (5), Six (6) and Seven (7), excepting minerals, ores, and mineral deposits in said Lots Three (3), Five (5), Six (6) and Seven (7); all in SECTION ONE(1), Township Twenty-one (21) North, Range Four (4) West, said Lots One (1) and Two (2) being subject to a transmission line easement of Wisconsin and Minnesota Light & Power Company;

The South Half ($S\frac{1}{2}$) of Section Nineteen (19); the South Half ($S\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$), the Northeast Quarter ($NE\frac{1}{4}$) of the Southwest Quarter ($SW\frac{1}{4}$), of Section Twenty-One (21); and the Northwest Quarter ($NW\frac{1}{4}$) of the Northeast Quarter ($NE\frac{1}{4}$), of Section Twenty-seven (27); all in Township Twenty-two (22) North, Range One (1) East.

The North Half ($N\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$), and all of the Southeast Quarter ($SE\frac{1}{4}$), of Section Five (5); the Northwest Quarter ($NW\frac{1}{4}$), the North Half ($N\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$), the West Half ($W\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$), and the Northwest Quarter ($NW\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$), of Section Six (6); the West Half ($W\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$), the North Half ($N\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$), and the North Half ($N\frac{1}{2}$), of Section Eight (8); the South Half ($S\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Nine (9); the Northwest Quarter ($NW\frac{1}{4}$) of the Northeast Quarter ($NE\frac{1}{4}$), the Southwest Quarter ($SW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), and the North Half ($N\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$), of Section Ten (10); the South Half ($S\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$), the Northeast Quarter ($NE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$), and the Northeast Quarter ($NE\frac{1}{4}$) of the Southwest Quarter ($SW\frac{1}{4}$), of Section Eleven (11); the South Half ($S\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of Section Twelve (12); the South Half ($S\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$), the East Half ($E\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$), the Northwest Quarter ($NW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), and the Southwest Quarter ($SW\frac{1}{4}$), of Section Thirteen (13); the North Half ($N\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Fourteen (14); the North Half ($N\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Twenty-Four (24); all in Township Twenty-two (22) North, Range One (1) West.

All of Section One (1); the Northwest Quarter ($NW\frac{1}{4}$) of the Southwest Quarter ($SW\frac{1}{4}$), the Southeast Quarter ($SE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$), the North Half ($N\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$), and the North Half ($N\frac{1}{2}$), of Section Two (2); all of Section Three (3); the Northeast Quarter ($NE\frac{1}{4}$) of the Northeast Quarter ($NE\frac{1}{4}$), the South Half ($S\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$), the West Half ($W\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$), the Southeast Quarter ($SE\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$), the North Half ($N\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$), of Section Four (4); the Southeast Quarter ($SE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$), the Southwest Quarter ($SW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), the North Half ($N\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) and the Northeast Quarter ($NE\frac{1}{4}$), of Section Five (5); flowage rights in the Southwest Quarter ($SW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$) and the Northwest Quarter ($NW\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$), of Section Six (6), from the construction and maintenance of the Hatfield Dam at the 223.50 elevation, as con-

veyed by deed of Josef Jaekl and wife to Wisconsin Railway Light & Power Company, dated September 4, 1914, and recorded in the Office of the Register of Deeds of Jackson County, on September 10, 1914, Volume 81 of Deeds, page 621; flowage rights in the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Six (6), from the construction and mainteance of Hatfield Dam at any height at which it can be lawfully constructed and maintained under the charter of Wisconsin Railway Light & Power Company, as conveyed by deed of Frank Blaha and wife to said Company, dated September 4, 1914, and recorded in the Office of the Register of Deeds of Jackson County, on September 10, 1914, in Volume 81 of Deeds, page 621; and flowage rights acquired by said Wisconsin Railway Light & Power Company under a condemnation proceeding in the Circuit Court of Jackson County, in which Commissioners were appointed on March 30, 1914, in that part of the West Half (W½) of the Northeast Quarter (NE¼) and the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼), of Section Six (6) lying North of a line across said premises located and described as follows: Beginning at a point on the West line of said Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) two hundred fifty (250) feet North of the Southwest (SW) corner of said Northeast Quarter (NE¼) of the Northwest Quarter (NW¼), thence running south 69° east five hundred thirty (530) feet, thence north 75° east eight hundred sixty (860) feet, thence south 63° east three hundred seventy (370) feet, thence north 40° east four hundred (400) feet, thence north 73° east four hundred forty (440) feet, thence south 73° east three hundred forty (340) feet, to a point on the east line of the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of said Section Six (6) eleven hundred ten (1110) feet north of the southeast corner thereof, the area of said tract north of said line being 83.72 acres; the North Half (N½) of the Northeast Quarter (NE¼) of Section Ten (10); the Northwest Quarter (NW¼) of the Northwest Quarter (NW¼), the Northeast Quarter (NE¼), and the Northeast Quarter (NE¼) of the Southeast Quarter (SE¼), of Section Eleven (11); the Southwest Quarter (SW¼) of the Northwest Quarter (NW¼), the North Half (N½) of the Northwest Quarter (NW¼), and the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼), of Section Twelve (12); all in Township Twenty-two (22) North, Range Two (2) West.

Flowage rights in the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section One (1) from the construction and maintenance of the Hatfield Dam, not exceeding the height known as the 223.50 elevation, as conveyed by Anton Blazejovsky and wife to Wisconsin Railway Light & Power Company, by deed dated September 4, 1914, and recorded in the office of the Register of Deeds of Jackson County, on September 10, 1914, in Volume 81 of Deeds, page 620; Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6), the South Half (S½) of the Northeast Quarter (NE¼), and the South Half (S½), of Section Two (2), excepting the railroad right-of-way of the Green Bay and Western Railway Company across the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of said section; Lots One (1), Two (2) and Three (3), in Section Three (3), excepting so much of said Lot Three (3) as is embraced within the following described parcel, commencing at the center of said Section Three (3), thence north 114.3 feet, thence east 519.75 feet, thence south 540.3 feet to the northerly line of the right-of-way of the Green Bay & Western Railway Company, thence northwesterly along said northerly line of said right-of-way 577.7 feet to the north and

south quarter section line, thence north 160.8 feet to the place of beginning, said parcel containing four (4) acres; Lots Four (4), Five (5), and Six (6), the East Quarter (E¼) of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼), the South Half (S½) of the Southwest Quarter (SW¼), the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼), the Northwest Quarter (NW¼) of the Northwest Quarter (NW¼), and the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼), except what has been sold and conveyed by grantors in the instruments hereinafter enumerated, and severally recorded in the office of the Register of Deeds of Jackson County, Wisconsin, as follows, to-wit, to Eugene Gaylord by deed of March 23, 1908, recorded in Volume 72 of Deeds on page 63, to Helen R. Ormsby by deed of September 10, 1908, recorded in Volume 72 of Deeds on page 262, to J. H. Mc Kenny by deed of June 9, 1908, recorded in Volume 71 of Deeds on page 256, to F. M. Garman by deed of January 25, 1908, recorded in Volume 71 of Deeds on page 171, to Jennie Ringrose by deed of August 10, 1908, recorded in Volume 71 on page 376, to Clinton P. Potter and Frank Abend by deed of August 15, 1908, recorded in Volume 71 of Deeds on page 276, to Luella Duxbury by deed of July 13, 1908, recorded in Volume 71 of Deeds on page 263, to A. B. Royce by deed of July 28, 1908, recorded in Volume 71 of Deeds on page 287, to F. M. Garman by deed of October 22, 1908, recorded in Volume 71 of Deeds on page 307, to John Svoboda by deed of July 25, 1914, recorded in Volume 78 of Deeds on page 307, to R. A. and C. H. Creviston by deed of April 3, 1908, recorded in Volume 75 of Deeds on page 598, all in Section Three (3); the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Three (3), except that part of the same embraced within the following described parcel, commencing at the center of said Section Three (3), thence north 114.3 feet, thence east 519.75 feet, thence south 540.3 feet to the northerly line of the right-of-way of the Green Bay & Western Railway Company, thence northwesterly along said northerly line of said right-of-way 577.7 feet to the north and south quarter section line, thence north 160.8 feet to the place of beginning, said parcel containing (4) acres; flowage rights in said last described parcel from the construction and maintenance of the Hatfield Dam or Dells Dam to any height to which said dams can be constructed or maintained under the charter of Wisconsin Railway Light & Power Company, or any amendment thereof, as reserved in deed of Wisconsin Railway Light & Power Company to Jim Fencil, dated February 3, 1917, and recorded March 9, 1917, in the office of the Register of Deeds of Jackson County, in Volume 85 of Deeds, page 156; flowage rights from the construction and maintenance of a dam at the site known as the Hatfield Dam to any height to which said dam can be constructed or maintained under the charter of Wisconsin Railway Light & Power Company, or any amendment thereof, in a parcel of land in the South Half (S½) of the Northwest Quarter (NW¼) of Section Three (3), bounded as follows, beginning at the southwest corner of the Southeast Quarter (SE¼) of said Northwest Quarter (NW¼), thence running east along the east and west quarter section line 5 chains, thence north and parallel with the west line of said forty 10 chains, thence north 24° east 6.50 chains, thence north 25° 30' west 4.50 chains to the north line of said forty, thence west along the north line of said forty 5.70 chains to a point on said north line which is .30 chains east of the northwest corner of said forty, thence south 48° east 1.70 chains, thence south 5° 30' west 15.80 chains, thence south 30° west 3.67 chains to the

east and west quarter section line, thence east along said quarter section line 1.42 chains to the place of beginning, containing 8.36 acres, of which 8.19 acres is taken from the Southeast Quarter (SE¼) of said Northwest Quarter (NW¼), and .17 acres from the Southwest Quarter (SW¼) of said Northwest Quarter (NW¼), as conveyed by Ole Martin and wife to Wisconsin Railway Light and Power Company, by deed dated October 6, 1919, and recorded October 8, 1919, in the office of the Register of Deeds of Jackson County, in Volume 91 of Deeds, page 360; flowage rights from the construction and maintenance of the Hatfield Dam at the 215 elevation in a parcel of land described as follows, commencing at a point about 10 chains north of the southwest corner of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of Section Three (3), thence east 2.3 chains, thence south 34° easterly 6.41 chains, then south 26° 3' west 2.43 chains, thence south 25° east 2.50 chains, to the south line of said Northeast Quarter (NE¼) of the Northwest Quarter (NW¼), then west along said south line to the southwest corner of said Northeast Quarter (NE¼) of the Northwest Quarter (NW¼), thence north to the place of beginning, containing 3.97 acres, as conveyed by James Fencil and wife to Wisconsin Railway Light & Power Company by deed dated February 19, 1917, and recorded March 8, 1917, in the office of the Register of Deeds of Jackson County, in Volume 85 of Deeds, page 155; flowage rights from construction and maintenance of the Hatfield Dam at any height to which it may be constructed or maintained under the charter of Wisconsin Railway Light & Power Company, or any amendment thereof, in the following described land: Commencing at a point 2 rods west and 25 rods north of the southeast corner of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼) of Section Three (3), thence west 16 rods, thence north 10 rods, thence east 16 rods, thence south 10 rods to the place of beginning, as conveyed by R. A. Creviston and wife and C. H. Creviston and wife to Wisconsin Railway Light & Power Company, by deed dated April 27, 1916, and recorded May 2, 1916, in the office of the Register of Deeds of Jackson County, in Volume 84 of Deeds, page 503; flowage rights from the construction and maintenance of the Hatfield Dam to any height to which same can be constructed or maintained under the charter of Wisconsin Railway Light & Power Company, or any amendment thereof, in the following described land: Commencing at a point 2 rods west and 20 rods north from the southeast corner of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼) of Section Three (3), thence north 5 rods, thence west 8 rods, thence south 5 rods, thence east 8 rods to the place of beginning, as conveyed by James Merek to Wisconsin Railway Light & Power Company, by deed dated September 22, 1916, and recorded September 27, 1916, in the office of the Register of Deeds of Jackson County, in Volume 84 of Deeds, page 603; excepting the railroad right-of-way of the Green Bay & Western Railway Company, as the same extends across said Section Three (3), but including, however, (1) the easement granted by the Green Bay & Western Railroad Company, by grant in writing, dated the 7th day of February, 1912, to Clement C. Smith, Receiver of the property and franchises of the La Crosse Water Power Company, La Crosse Water Power Company and State Bank of Chicago, as Trustee, and to their successors and grantees and any and all persons acquiring lands in the Southeast Quarter (SE¼) of Section Three (3), Township Twenty-two (22) North, Range Three (3) West, in Jackson County, Wisconsin, or any part thereof, by, through or under the said Clement C. Smith, Receiver, La Crosse Water Power Company or

State Bank of Chicago, Trustee, their successors or grantees, or either or any of them, under and by which said easement the said Green Bay & Western Railroad Company granted to said parties, and each of them, the perpetual right, privlege and easement, personally and by their agents, tenants and licensees, to enter upon a strip of land one hundred (100) feet wide, being fifty (50) feet in width on each side of a line commencing at a point two hundred and four and fifty-seven hundreths (204.57) feet south of the center of said Section Three (3), Township Twenty-two (22) North of Range Three (3) West, thence south sixty-three (63) degrees thirty-one (31) minutes east, two thousand four hundred (2,400) feet, more or less, to the westerly abutment of the bridge then in course of construction at the then crossing of the Black River and the tracks of said Green Bay & Western Railroad Company, thence southeasterly to a point where the center line of said strip crosses the section line between Sections Two (2) and Three (3), in Township Twenty-two (22), North of Range Three (3) West, and particularly upon so much of said strip as lies southeasterly from the westerly abutment of the said bridge as aforesaid in the southerly part of fractional Lot Five (5) and the northeasterly part of fractional Lot Six (6), in the Southeast Quarter (SE¼) of Section Three (3), in Township Twenty-two (22), North of Range Three (3) West, in Jackson County, Wisconsin, for the purpose of excavating in and upon the said strip of land northerly and easterly from the bridge and the westerly abutment thereof constructed in the then channel of the said Black River to bed rock, and thereon to construct substantially according to plans thereof of Daniel W. Mead, Consulting Engineer, employed by said Clement C. Smith, Receiver, then proposed, and maintain foundations, abutments, core walls, dam and superstructure, equipped with taintor gates or other flood gates and embankments extending from such dam, said improvements, as aforesaid, to be constructed by and for the said grantees in said easement and their successors and assigns aforesaid, or either of them, for the purpose of controlling and regulating, as shall be reasonably necessary, the height of the waters of Black River at and above such dam and embankments; and also (2) the perpetual right and easement to enter upon the said strip of land aforesaid, and upon the said dam and embankments, to operate, use, maintain, control and repair such dam and flood gates, embankments, superstructure, core walls and abutments, and at all times to regulate the height of the waters flowing over the said dam and flood gates as shall be reasonably required; the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼), the East Half (E½) of the Northeast Quarter (NE¼), excepting the railroad right-of-way of the Green Bay & Western Railroad and the East Half (E½) of the Southeast Quarter (SE¼), of Section Four (4); the North Half (N½) of the Northeast Quarter (NE¼) of Section Eight (8); Lots one (1), Two (2), Three (3), Four (4), Five (5), Six (6) and Seven (7), the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼), the North Half (N½) of the Southwest Quarter (SW¼), the Northwest Quarter (NW¼) and the North Half (N½) of the Northeast Quarter (NE¼), of Section Nine (9); Lots One (1), Two (2), Four (4), and Five (5), the Northwest Quarter (NW¼) of the Northwest Quarter (NW¼), of Section Ten (10); Lots One (1), Two (2) and Four (4), and the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼), of Section Sixteen (16); Lots One (1), Three (3) and Four (4) in Section Seventeen (17), and part of the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Seventeen (17), described as follows: Commencing at the southeast corner of said

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GREAT NORTHERN RAILWAY EQUIPMENT TRUST

SERIES C.

- - - - - - - - - - - -

BILL OF SALE

- - - - - - - - - - - -

The undersigned, GREAT NORTHERN RAILWAY COMPANY, sole owner of the railroad equipment hereinafter described, in consideration of the sum of One Dollar and of other considerations, in full payment of the railroad equipment hereinafter specified, receipt of which consideration is hereby acknowledged, has bargained, sold, assigned, conveyed and delivered and by these presents does hereby bargain, sell, assign, convey and deliver to The First National Bank of the City of New York, Trustee under Great Northern Railway Equipment Trust, Series C, constituted by a certain Agreement, dated September 1, 1924, between Great Northern Equipment Company, said Trustee and said Great Northern Railway Company, and the Lease therein referred to, for the uses and purposes of said Trust and in replacement of railroad equipment thereunder which has been worn out, lost or destroyed, the following described railroad equipment, to-wit:

Two hundred seven (207) seventy-five (75) ton capacity steel ore cars bearing the serial numbers 85505 to 85711, both inclusive, and

Sixty-eight (68) forty (40) ton capacity double sheathed steel underframe box cars bearing the following serial numbers:

23540 to 23542, both inclusive,
23544 to 23567, both inclusive,
23569 to 23599, both inclusive,
24090 to 24099, both inclusive.

And for the consideration aforesaid the undersigned hereby warrants to said Trustee that said railroad equipment is free and clear of and from all liens and encumbrances, other than the lien and encumbrance of the Lease and Agreement aforesaid.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, thereunto duly authorized, this 29th day of December, 1938.

(CORPORATE SEAL) GREAT NORTHERN RAILWAY COMPANY,

In presence of:

By F. G. DORETY
Vice President

R. F. Berg

Attest: F. L. PAETZOLD
Secretary

C. F. Ziegahn

UNITED STATES OF AMERICA,)
STATE OF MINNESOTA,) SS.:
COUNTY OF RAMSEY.)

BE IT REMEMBERED, and I do hereby certify, that on this 29th day of December, in the year 1938, A. D., in the County of Ramsey, State of Minnesota, before me, the undersigned Notary Public in and for the County of Ramsey, in the State of Minnesota, personally came and appeared F. G. Dorety, a Vice President, and F. L. Paetzold, the Secretary of Great Northern Railway Company, both being to me personally known and known to me to be officers of and a Vice President and the Secretary, respectively, of Great Northern Railway Company, the above mentioned corporation, that is described in and that executed this, the within and foregoing instrument, that was produced to me by the parties therein, having authority

to execute such instrument, who being by me duly sworn, did depose and say that the said F. G. Dorety, Vice President, resides in the City of St. Paul, County of Ramsey, and State of Minnesota; and that the said F. L. Paetzold, Secretary, resides in the City of St. Paul, County of Ramsey, and State of Minnesota; that they are a Vice President and Secretary, respectively, of Great Northern Railway Company, and that they are the persons who executed the within and foregoing instrument as such officers, and on oath stated that they were authorized so to execute such instrument; that said instrument was executed, signed, sealed and delivered on and in behalf of said corporation by its authority and by the authority of its Board of Directors, and said F. G. Dorety, Vice President, and said F. L. Paetzold, Secretary, acknowledged said instrument to be the free act and deed of said corporation and of said F. G. Dorety, Vice President, and of said F. L. Paetzold, Secretary, of said corporation, for the uses and purposes therein mentioned and set forth, and acknowledged to me that such corporation executed the same; and said F. G. Dorety, Vice President, and said F. L. Paetzold, Secretary, did each depose and say that he knows the corporate seal of the said corporation; that the seal affixed to and the affixed seal of the foregoing instrument is the corporate seal of said corporation and was so affixed by order of its Board of Directors, and said F. G. Dorety, Vice President, said that by like order he signed the same as Vice President, and said F. L. Paetzold, Secretary, said that by like order he attested the same as Secretary.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

ALPHA M. SARCHET

(NOTARIAL SEAL)

Alpha M. Sarchet
Notary Public, Ramsey County, Minn.
My Commission Expires July 9th, 1942.

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 10th day
of Jan. A. D. 1939 at 11:10
o'clock A. M. and recorded
in Vol. 33 of R. R. Mtgs.
on page 598 & 599, incl.

R. W. Dixon
Assistant Secretary of State

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GREAT NORTHERN RAILWAY EQUIPMENT TRUST

SERIES D.

- - - - - - - - - - - -

BILL OF SALE

- - - - - - - - - - - -

The undersigned, GREAT NORTHERN RAILWAY COMPANY, sole owner of the railroad equipment hereinafter described, in consideration of the sum of One Dollar and of other considerations, in full payment of the railroad equipment hereinafter specified, receipt of consideration which/is hereby acknowledged, has bargained, sold, assigned, conveyed and delivered and by these presents does hereby bargain, sell, assign, convey and deliver to The First National Bank of the City of New York, Trustee under Great Northern Railway Equipment Trust, Series D, constituted by a certain Agreement, dated January 1, 1925, between Great Northern Equipment Company, said Trustee and said Great Northern Railway Company, and the Lease therein referred to, for the uses and purposes of said Trust and in replacement of railroad equipment thereunder which has been worn out, lost or destroyed, the following described railroad equipment to-wit, three (3) forty (40) ton capacity double sheathed steel underframe box cars bearing the following serial numbers, viz:

24518
24519
24520

And for the consideration aforesaid the undersigned hereby warrants to said Trustee that said railroad equipment is free and clear of and from all liens and encumbrances, other than the lien and encumbrance of the Lease and Agreement aforesaid.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, thereunto duly authorized, this 29th day of December, 1938.

(CORPORATE SEAL) GREAT NORTHERN RAILWAY COMPANY,

In presence of:

R. F. Berg

C. F. Ziegahn

By F. G. DORETY
Vice President.

Attest: F. L. PAETZOLD
Secretary.

UNITED STATES OF AMERICA,)
STATE OF MINNESOTA,) SS.:
COUNTY OF RAMSEY,)

BE IT REMEMBERED, and I do hereby certify, that on this 29th day of December, in the year 1938, A. D., in the County of Ramsey, State of Minnesota, before me, the undersigned Notary Public in and for the County of Ramsey, in the State of Minnesota, personally came and appeared F. G. Dorety, a Vice President, and F. L. Paetzold, the Secretary of Great Northern Railway Company, both being to me personally known and known to me to be officers of and a Vice President and the Secretary, respectively, of Great Northern Railway Company, the above mentioned corporation, that is described in and that executed this, the within and foregoing instrument, that was produced to me by the parties therein, having authority to execute such instrument, who being by me duly sworn, did depose and say that the said F. G. Dorety, Vice President, resides in the City of St. Paul, County of Ramsey, and State of Minnesota; and that the said F. L. Paetzold, Secretary, resides in the City of St. Paul, County of Ramsey, and State of Minnesota; that they are a Vice President and Secretary,

respectively, of Great Northern Railway Company, and that they are the persons who executed the within and foregoing instrument as such officers and on oath stated that they were authorized so to execute such instrument; that said instrument was executed, signed, sealed and delivered on and in behalf of said corporation by its authority and by the authority of its Board of Directors, and said F. G. Dorety, Vice President, and said F. L. Paetzold, Secretary, acknowledged said instrument to be the free act and deed of said corporation and of said F. G. Dorety, Vice President, and of said F. L. Paetzold, Secretary, of said corporation, for the uses and purposes therein mentioned and set forth, and acknowledged to me that such corporation executed the same; and said F. G. Dorety, Vice President, and said F. L. Paetzold, Secretary, did each depose and say that he knows the corporate seal of the said corporation; that the seal affixed to and the affixed seal of the foregoing instrument is the corporate seal of said corporation and was so affixed by order of its Board of Directors, and said F. G. Dorety, Vice President, said that by like order he signed the same as Vice President, and said F. L. Paetzold, Secretary, said that by like order he attested the same as Secretary.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(NOTARIAL SEAL) ALPHA M. SARCHET

Alpha M. Sarchet
Notary Public, Ramsey County, Minn.
My Commission Expires July 9th, 1942.

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 10th day
of Jan. A. D. 1939 at 11:10 ✓
o'clock A. M. and recorded
in Vol 33 of R. R. Mtgs.
on page 600 & 601, incl.

R. W. Dixon
Assistant Secretary of State

Indat 16-a

WISCONSIN CENTRAL RAILWAY COMPANY

and

E. A. WHITMAN, AS RECEIVER

to

UNITED STATES TRUST COMPANY OF NEW YORK, TRUSTEE

- - - - - - - - - - - - - - -

SUPPLEMENTAL MORTGAGE

- - - - - - - - - - - - - - -

Dated May 31, 1938.

* *

THIS INDENTURE Made and entered into the 31st day of May, 1938, by and between WISCONSIN CENTRAL RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the "Railway Company"), and E. A. WHITMAN, as the duly appointed, qualified, and acting Receiver of said Wisconsin Central Railway Company and not as an individual (hereinafter called the "Receiver"), parties of the first part, and UNITED STATES TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York (hereinafter called the "Trustee"), parties of the second part,

W I T N E S S E T H:

That for and in consideration of the sum of One Dollar, lawful money of the United States, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and pursuant to an order entered on the 10th day of May, 1937, by the District Court of the United States for the District of Minnesota, Fourth Division, the parties of the first part, Wisconsin Central Railway Company and E. A. Whitman, as said Receiver and not as an individual, do hereby grant, bargain, sell, assign, transfer, and convey unto said United States Trust Company of New York, as Trustee, and its successor or successors in trust, under that certain Indenture of Mortgage, dated the 1st day of May, 1901, between Wisconsin Central Railway Company, as party of the first part, and United States Trust Company of New York, as party of the second part, commonly known as Marshfield and South Eastern Purchase Money First Mortgage, forever, all of the estates, rights, title, and interest of whatsoever character and description, now or at any time hereafter accruing to and/or acquired by said Railway Company and/or said E. A. Whitman, as said Receiver, or the successors or assigns of either or both of them, by and under that certain agreement made and entered into on the 22nd day of May, 1936, by and between Chicago and North Western Railway Company and Charles P. Megan, Trustee of its property, Wisconsin Central Railway Company and A. E. Wallace, its then Receiver, and Minneapolis, St. Paul & Sault Ste. Marie Railway Company, said agreement relating to the abandonment of certain trackages between Marshfield and Wisconsin Rapids, in the County of Wood, State of Wisconsin, by said Chicago and North Western Railway Company and said Wisconsin Central Railway Company respectively and the joint use of the remaining trackage of said two railroads between said two points, and being the agreement (referred to as a "Co-ordination Agreement") mentioned in and covered by an order of the District Court of the United States for the District of Minnesota, Fourth Division, dated November 11, 1935, authorizing the Receiver of said Wisconsin Central Railway Company to execute a

proposed co-ordination agreement with the Chicago and North Western Railway Company for the joint use of trackage between Marshfield, Wisconsin, and Wisconsin Rapids, Wisconsin, a copy of which agreement is hereto attached as an exhibit hereto and hereby made a part of this instrument.

The foregoing is intended to include all of the estates, rights, title, and interest whatsoever, in law as well as in equity, of Wisconsin Central Railway Company and/or said E. A. Whitman, as said Receiver, or the successors or assigns of either or both of them, in, to, and under said agreement above described, whether in possession or expectancy.

TO HAVE AND TO HOLD all and singular the said estates, rights, title, and interest unto said United States Trust Company of New York, its successors and assigns, forever, but in trust nevertheless, subject to the conditions and provisions of said Indenture of Mortgage, dated the 1st day of May, 1901, commonly known as Marshfield and South Eastern Division Purchase Money First Mortgage.

The Wisconsin Central Railway Company does hereby further covenant and agree with United States Trust Company of New York and its successors in trust as follows:

(a) It will duly perform all of its obligations assumed in said agreement above described.

(b) If any notice is served upon it by Chicago and North Western Railway Company or by its said Trustee, or its or his successors or assigns, of an intention to terminate said agreement as provided in Section 12 thereof, it will promptly deliver a copy of such notice or notices to the President or a Vice President or the Secretary for the time being of the United States Trust Company of New York or of its successors in trust.

(c) In the event of default by it in the performance of said agreement above described of such character that Chicago and North Western Railway Company or its said Trustee, or its or his successors or assigns, shall have the right to terminate said agreement as provided in said Section 12 thereof (and if default is not waived or if default or exclusion is not cured as provided in said Section 12), such default shall also be deemed a default under said Mortgage and entitle the bondholders and United States Trust Company of New York and its successors in trust to exercise any rights and remedies which they respectively have in any event of default by Wisconsin Central Railway Company specified in said Mortgage.

United States Trust Company of New York shall not be responsible in any manner whatever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by Wisconsin Central Railway Company and E. A. Whitman, as Receiver, or for the due recording or filing thereof by said Railway Company or by said Receiver, nor shall United States Trust Company or New York be answerable or accountable for anything whatever in connection with this Supplemental Indenture, except for its own unlawful misconduct or gross negligence.

IN WITNESS WHEREOF, The said Railway Company and said Trustee have respectively caused this Indenture to be executed in their respective names by their respective proper officers thereunto duly authorized and their respective seals to be hereunto affixed and attested, and the said E. A. Whitman as said Receiver has likewise executed the same; and this Indenture has been signed, sealed, and delivered in the presence of witnesses, all as of the day and year first above written.

(SEAL)

WISCONSIN CENTRAL RAILWAY COMPANY

By C. T. JAFFRAY
President

ATTEST:

P. J. Stock
Secretary

Signed, Sealed, acknowledged and delivered by said Wisconsin Central Railway Company in the presence of:

E. M. Edlund

Dorothy Green

E. A. WHITMAN
As Receiver of Wisconsin Central Railway Company and not as an individual.

Signed, acknowledged and delivered by said E. A. Whitman in the presence of:

W. G. Miller

A. J. Hopper

UNITED STATES TRUST COMPANY OF NEW YORK,

(SEAL)

By T. H. WILSON
VICE PRESIDENT

ATTEST:

H. L. SMITHERS
ASST. SECRETARY

Signed, sealed, acknowledged, and delivered by said United States Trust Company of New York in the presence of:

E. Witting

C. J. Paine

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

I, C. W. ARINE, a Notary Public in and for said county and state, do hereby certify that C. T. JAFFRAY, President, and P. J. STOCK, Secretary, of Wisconsin Central Railway Company, personally known to me to be the President and Secretary, respectively, of said Wisconsin Central Railway Company and personally known to me to be the same persons whose names are severally subscribed to and who executed the foregoing instrument as such President and Secretary, respectively, appeared before me this 29th day of June, 1938, in person and severally acknowledged said instrument and further acknowledged that they signed, sealed, executed, and delivered the said instrument as President and Secretary, respectively, of the said Wisconsin Central Railway Company, and caused the corporate seal of said corporation to be affixed thereto, all pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and deed and as the free and voluntary act and deed of the said corporation, for the uses and purposes therein set forth, and on the day and year therein mentioned.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed my notarial seal this 29th day of June, 1938.

C. W. ARINE
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

(NOTARIAL SEAL)

C. W. Arine
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

I, C. W. ARINE, a Notary Public in and for said County and State, do hereby certify that E. A. WHITMAN, personally known to me and known to me to be the duly appointed,

qualified, and acting Receiver of Wisconsin Central Railway Company and known to me to be the same person whose name is subscribed to the foregoing instrument as such Receiver, appeared before me this day in person and acknowledged said instrument and acknowledged that he is the duly appointed, qualified, and acting Receiver of Wisconsin Central Railway Company and that he signed, executed, and delivered the said instrument on the day and year therein mentioned as his free and voluntary act as such Receiver and pursuant to the authority of the District Court of the United States for the district of Minnesota, Fourth Division, for the uses and purposes set forth in said instrument.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal this 29th day of June, 1938.

C. W. ARINE
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

(NOTARIAL SEAL)

C. W. Arine
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 12, 1939.

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

I, E. A. MOELLER, a Notary Public ~~in and~~ for said county and state, do hereby certify that T. H. WILSON, Vice President, and H. L. SMITHERS, Asst. Secretary of United States Trust Company of New York, personally known to me to be the Vice President and Asst. Secretary, respectively, of said United States Trust Company of New York and personally known to me to be the same persons whose names are severally subscribed to and who executed the foregoing instrument as such Vice President and Asst. Secretary, respectively, appeared before me this 7th day of July, 1938, in person, and severally acknowledged said instrument and further acknowledged that they signed, sealed, executed, and delivered the said instrument as Vice President and Asst. Secretary, respectively, of the said United States Trust Company of New York, and caused the Corporate Seal of said corporation to be affixed thereto, all pursuant to authority given by the Board of Trustees of said corporation, as their free and voluntary act and deed and as the free and voluntary act and deed of the said corporation, for the uses and purposes therein set forth, and on the day and year therein mentioned.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed my notarial seal this 7th day of July, 1938.

E. A. MOELLER
Notary Public, New York County

(NOTARIAL SEAL)

Edward A. Moeller
Notary Public, Kings County
Kings Co. Clk's No. 815, Reg. No. 9474
N. Y. Co. Clk's No. 1231, Reg. No. 9M738
Commission Expires March 30, 1939.

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 12th day of Jan. A.D. 1939 at 10:50 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 602 - 605, incl.

R. W. Dixon
Asst. Secretary of State

FOR EXHIBIT see next page.

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EXHIBIT

Coordination agreement between the Chicago and Northwestern Railway Company and the Wisconsin Central Railway Company relating to joint use of trackage between Marshfield, Wisconsin and Wisconsin Rapids, Wisconsin, dated May 22, 1936, (which has been made a part of the instrument recorded on page 602-605 hereof.)

THIS AGREEMENT Made and entered into this 22nd day of May, 1936, by and between CHICAGO AND NORTH WESTERN RAILWAY COMPANY and CHARLES P. MEGAN, Trustee of its property (hereinafter collectively called "North Western"), WISCONSIN CENTRAL RAILWAY COMPANY and A. E. WALLACE, its Receiver (hereinafter collectively called "Wisconsin Central"), and MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILWAY COMPANY (hereinafter called "Soo Line");

W I T N E S S E T H:

The North Western desires to discontinue the use of that portion of its line of railroad between Marshfield and Arpin, Wisconsin, located as shown by green line between the letters "C" and "F" on the white print dated October 5, 1934, which is hereto attached, marked "Exhibit A" and made a part hereof, and to use in lieu thereof the adjacent and parallel line of railroad of the Wisconsin Central and tracks connecting therewith. The Wisconsin Central desires to discontinue the use of that portion of its track between Wisconsin Rapids and Arpin, Wisconsin, located as shown by green line between the letters "A" and "D" on said Exhibit "A" and to use in lieu thereof the adjacent and parallel line of railroad of the North Western and tracks connecting therewith. These parties therefore desire to provide for the joint operation over tracks shown on said "Exhibit A" between "E-D", "D-C" and "C-B" upon the terms and conditions hereinafter stated.

Those portions of main lines of railroad now owned and those portions of railroad hereafter to be constructed by the parties and, which are to be jointly operated by the parties between the letters "B" and "E", as shown on said Exhibit "A", are hereinafter referred to as "Joint Section".

NOW, THEREFORE, in consideration of the mutual dependent promises hereinafter stated, the parties hereto have agreed as follows:

1. Track connections between the respective lines of the North Western and Wisconsin Central shall be constructed in the locations shown on said Exhibit "A" by red line "A-B", "C-D" and "E-F". The North Western and the Wisconsin Central shall each construct, maintain, renew and own such portions of said track connections as shall be located upon their respective rights of way.

2. The North Western grants to the Wisconsin Central the right to connect the industry track of the Wisconsin Central at Vesper with the main line track of the North Western and the right to occupy and use such portion of its right of way at Vesper as required for the construction, maintenance, renewal and use of the connecting track. The North Western shall, at the sole cost and expense of the Wisconsin Central, construct, maintain and renew that portion of said connecting track from switch point designated by letter "O" to the clearance point designated by letter "X" on said Exhibit "A" and the Wisconsin Central shall at its sole cost and expense construct, maintain and renew the remainder of said connecting track between points designated by letters "X" and "N" on said Exhibit "A". All of said connecting track "O-X-N" shall be owned by the

Wisconsin Central. Said industry track and said connecting track shall be used exclusively by the Wisconsin Central and are not to be a part of said Joint Section.

The Wisconsin Central grants to the North Western the right to connect the industry track of the North Western at Arpin with the main line track of the Wisconsin Central and the right to occupy and use such portion of its right of way at Arpin as required for the construction, maintenance, renewal and use of the connecting track. The Wisconsin Central shall, at the sole cost and expense of the North Western, relocate the west switch of, and extend, its passing track at Arpin as shown in yellow color and designated by the letters "Q-R-S" on said Exhibit "A" and shall likewise construct, maintain and renew that portion of the connecting track from switch point, designated by the letter "R", to the clearance point, designated by the letter "T" on said Exhibit "A"; and the North Western shall at its sole cost and expense construct, maintain and renew the remainder of said connecting track between points designated by letters "T" and "U" on said Exhibit "A". All of said connecting track "R-T-U" shall be owned by the North Western. The North Western shall pay to the Wisconsin Central one-half of the cost and expense incurred by the Wisconsin Central in maintaining that portion of its track designated by letters "Q" and "R" and of additions and betterments thereto. Said industry track and said connecting track "R-T-U" shall be used exclusively by the North Western and are not to be a part of said Joint Section.

The term "cost and expense", for the purposes of this agreement, shall include all assignable items of cost and in addition the items and percentages specified in the rules of the General Managers' Association of Chicago, covering preparation of joint facility bills in effect at the time the work is performed.

3. The North Western hereby grants to the Wisconsin Central the right to the full, equal and joint possession and use, in common with the North Western and such other companies as it may admit, of the main line of the North Western shown by dashed yellow and black line on said Exhibit "A" between letters "B" and "C", and also the right to use the parts of said connecting tracks shown by red line between letters "A" and "B" and "C" and "D", that are owned by the North Western as herein provided, it being understood and agreed that the North Western shall not operate on track "A-B". The normal position of the switch at the point designated by the letter "B" shall be for operations of the North Western. The Wisconsin Central shall restore said switch to its normal position immediately after operation of any of its trains, engines, or cars thereover. The Wisconsin Central with its own employes and equipment, may do and transact over, upon and by means of said main line of railroad, and connecting tracks, together with the appurtenances thereof and the additions, improvements and betterments thereto, all such business as is or may be hereafter carried on by a railroad common carrier, including mail and express, subject only to the terms and conditions hereafter stated.

4. The Wisconsin Central hereby grants to the North Western the right to the full, equal and joint use in common with the Wisconsin Central and such other companies as it may admit, of the main line of the Wisconsin Central shown by dashed solid yellow and broken blue line on said Exhibit "A" between letters "D" and "E" and also the right to use the parts of said connecting tracks shown by red line between letters "C" and "D", and "E" and "F", that are owned by the Wisconsin Central, as herein provided, it being understood and agreed that the Wisconsin Central shall not operate on track "E-F". The normal position of the switch at the point designated by the letter "E" shall be for operations of the Wisconsin Dentral. The North Western shall restore said switch to its

normal position immediately after operation of any of its trains, engines or cars thereover. The North Western, with its own employes and equipment, may do and transact over, upon and by means of said main line of railroad and connecting tracks, together with the appurtenances thereof and the additions, improvements and betterments thereto, all such business as is or may be hereafter carried on by a railroad common carrier, including mail and express, subject only to the terms and conditions hereinafter stated.

5. The North Western, in respect of its tracks shown by dashed yellow and black line on said Exhibit "A" between letters "B" and "C", and in respect to the parts of the connecting tracks shown by red line between letters "A" and "B", "C" and "D", and "E" and "F", owned by it as hereinabove provided, and the Wisconsin Central in respect of its tracks shown by dashed solid yellow and broken blue line on said Exhibit "A" between letters "D" and "E" and in respect to the parts of said connecting tracks owned by it as hereinabove provided, may each be referred to hereafter in this agreement as the "Owning Company".

The North Western, in respect of its use of the tracks of the Wisconsin Central shown by dashed solid yellow and broken blue line on said Exhibit "A" between letters "D" and "E", and in respect of its use of the parts of said connecting tracks owned by the Wisconsin Central, and the Wisconsin Central, in respect of its use of the tracks of the North Western shown by dashed yellow and black line on said Exhibit "A" between letters "B" and "C" and in respect of its use of the parts of said connecting tracks owned by the North Western, may each be referred to hereafter in this agreement as the "Using Company".

6. In case it shall be necessary to make any changes in the telegraph or telephone lines of the parties at Wisconsin Rapids, Arpin or Marshfield, Wisconsin, in order to insure the proper operation of trains between Wisconsin Rapids and Marshfield, the cost of such changes shall be borne equally by the North Western and Wisconsin Central. The telegraph and telephone lines of each party hereto between Wisconsin Rapids and Marshfield and the wires and appurtenances thereof shall remain the separate property of such party and shall not be a part of the Joint Section and each party hereto shall maintain its said telegraph and telephone facilities at its own expense.

7. The industrial tracks and station facilities of each party hereto at Vesper and Arpin, Wisconsin, shall remain the separate property of such party and shall not be a part of the Joint Section, and each party hereto shall maintain its said industrial and spur tracks and station facilities at its own expense. It is not intended to change service heretofore rendered by the parties and each party agrees that it will not undertake to render service to any industry having trackage facilities which has heretofore been exclusively serviced by the other party, and each party further agrees that it will not at any time, directly or indirectly, take any action that will change or attempt to change the service to industries which have heretofore been exclusively serviced by the other party.

8. The movement of engines, cars and trains of both parties shall be ordered and directed over the Joint Section by the North Western for a period of one year from and after the date that joint operations are commenced and by the Wisconsin Central during the second year, and thereafter alternately for successive periods of one year each by the North Western and Wisconsin Central. The manner of operation shall be in accordance with such reasonable rules and regulations as may be adopted by the Superintendents of

of the parties hereto of the divisions of which the Joint Section is a part.

9. Except as to the matter of operation thereover as provided in Section 8 hereof, each Owning Company shall have charge, supervision and control of the portion of the Joint Section owned by it and shall pay all taxes (other than taxes on earnings) and assessments that may be levied thereon and shall maintain and repair same and make such additions, betterments and changes therein as shall at all times be necessary to keep same in suitable condition for operation of the parties thereover and shall do all acts and things proper for the operation thereof, and comply with all regulations prescribed by law or any public authority with respect thereto for safety of the public or otherwise.

10. Neither party shall make any charge against the other on account of rental for the use of or the expense of maintenance, repair or operation of any part of the Joint Section owned by it, nor of any additions, betterments or changes therein.

11. In the event either party shall lawfully abandon all operations and service between Wisconsin Rapids and Marshfield, Wisconsin, it shall convey its interest in the industrial tracks, spur tracks, station facilities, right of way and Joint Section to the other party upon payment to it by such other party of a fair amount for the right of way and the salvage value of the track and station facilities and thereupon this agreement shall terminate.

12. Should the Using Company fail in any respect to perform any of the terms and conditions of this contract, and should any such failure continue for six (6) months after written notice given by the Owning Company to the Using Company specifying the failure complained of, the Owning Company may, at its option, exclude the Using Company from all use of the property of the Owning Company described herein; provided that failure to make any payment which is the subject of arbitration or litigation between the parties shall not, pending such arbitration or litigation, be deemed a cause of forfeiture hereunder. Provided further that any person or corporation coming into possession, after such default or exclusion of the Using Company, and pursuant to the provisions of any mortgages or trust deeds now in effect and applicable thereto, of that portion of the Joint Section owned by the Using Company shall, notwithstanding such default of the Using Company, be entitled to the benefit of all rights and privileges granted to the Using Company hereunder, upon assuming and thereafter discharging all accrued and subsequently accruing obligations of the Using Company under the contract.

13. The Owning Company shall be bound to use only reasonable and customary care, skill and diligence in maintaining and repairing the Joint Section and in making additions, betterments and changes therein.

14. The Using Company shall not, by reason of any defect in the property or by reason of the failure or neglect of the Owning Company to repair such defect, make against the Owning Company any claims or demand for loss, damage or injury arising from such defect, neglect or failure; but should the Owning Company fail to repair any defect within a reasonable time after being notified so to do by the Using Company, then the Using Company may make the necessary repairs at once and the cost thereof shall be paid by the Owning Company.

15. As between the North Western and the Wisconsin Central each party hereto assumes and agrees to bear all loss and damage to its own property and agrees to discharge any liability for loss or damage to property carried by it and for all injury to or death of persons carried by it or exclusively controlled or employed by it, arising by reason of or in connection with the maintenance, repair, use or operation of said Joint Section or

the making of additions, betterments or changes therein, in all respects as if it had been in the exclusive use or control of said Joint Section, except only such loss, damage, injury or death as shall be solely caused by the negligence of the sole employe or employes of the other party, and the North Western and the Wisconsin Central each hereby agrees to save the other harmless from all such loss, damage, injury or death and from all claims, demands and liability therefor, and from all consequent costs and expenses.

Subject to the same exception as to cases resulting solely from negligence of the other party's sole employe or employes, the North Western and/Wisconsin Central each agrees to discharge all liability for loss, damage, injury or death which its engines, cars or trains or employes may cause to third persons or to the property of third persons, in connection with the maintenance, repair, use or operation of said Joint Section or the making of additions, betterments or changes therein, and the North Western and Wisconsin Central each hereby agrees to save the other harmless from all such loss, damage, injury or death and from all claims, demands and liability therefor and from all consequent costs and expenses.

If any loss, damage, injury or death shall occur to third persons or to the property of third persons in connection with the operation of engines, cars or trains in such way that it cannot be determined what company's engines, cars or trains caused the injury, the compensation, if any is made to the injured party, shall be apportioned equally between the North Western and Wisconsin Central.

Neither party shall, under any circumstances, have any cause of action against the other for loss or damage of any kind caused by or resulting from interruption of or delay to its business.

In case a suit shall be commenced against either party for damages for which the party sued may give notice of such suit to the other and thereupon the latter other is ultimately liable under the foregoing provisions, the/party/shall assume the defense of the suit and shall save the party sued harmless therefrom.

The parties will settle as between themselves any claim for loss, damage, injury or death according to the terms of this contract, notwithstanding any judgment or decree of a court or any other tribunal in a proceeding brought by third parties.

This Section 15 is not provided for the benefit of parties other than the parties hereto and is not intended to create any obligation upon either party hereto in favor of such other parties.

16. If at any time a question shall arise touching the construction of this contract or concerning the business or manner of transacting the business to be carried on under its provisions or the observance or performance of any of its covenants, upon which question the parties cannot agree, such question shall be submitted to the arbitrament of three disinterested persons familiar with such business and experience in railway management. The party demanding such reference shall give to the other party written notice thereof, stating specifically the question to be submitted for decision and nominating a person who has the required qualifications to act as one referee. Within thirty (30) days after the receipt of such notice the party receiving it shall nominate a second referee having like qualifications and shall notify the other party of such nomination and in default of such nomination within said period the party demanding the reference may make such selection. The first and second referees chosen shall select a third and thereupon the three referees shall fix a day and place for the hearing, of which the parties shall be severally notified. If the referees chosen shall be unable

to agree upon the third referee, such third referee may be appointed by any judge of the United States Circuit Court of Appeals for the Seventh Circuit, upon motion of either party, after ten (10) days' written notice thereof given to the other party. The books and papers of both parties, so far as they relate to any matter submitted for arbitration, shall be open to the examination of the referees; and after hearing the testimony and arguments which may be submitted by each party, the referees, if they unanimously agree upon an award, shall state it in writing and cause a copy thereof to be delivered to each of the parties, and thereupon such award shall be binding and conclusive and each party hereby expressly agrees to be conclusively bound thereby. If the referees cannot agree unanimously, they shall forthwith select two additional referees having like qualifications. If the two additional referees cannot be agreed upon, they may be appointed by any Judge of the court above mentioned. To the board thus constituted shall be submitted a statement of the facts upon which the three referees first selected unanimously agree and the testimony as to the matters remaining in dispute. The award of the majority of the five referees shall be in writing, and when copies thereof shall have been delivered to each of the parties, such award shall be final and conclusive, as an award by the first chosen referees would have been. Until the referees shall make their award upon any question submitted to them, the business to be transacted under the terms of this contract shall continue to be transacted and made in the manner and form existing prior to the arising of such question. Immediately after receiving a copy of any award each party shall make such changes in the conduct of its business, or such payments or restitution, as the case may be, as are in and by such award required of it to be made; and the amount of the costs and expenses of the reference and the proportion thereof to be paid by each of the parties shall be determined by the referees. If either party shall refuse to keep or perform any award made as aforesaid, the adverse party may enforce the same by apt proceedings in any court having jurisdiction.

17. This agreement shall become effective (1) when authorized by order or certificate of the Interstate Commerce Commission, (2) upon the entry of an order in the United States District Court for the Northern District of Illinois, Eastern Division, authorizing the abandonment of the North Western trackage herein provided for, by the said Trustee of its property, (3) upon the Wisconsin Central obtaining from the District Court of the United States, for the District of Minnesota, Fourth Division, and from the United States District Court for the Northern District of Illinois, Eastern Division, having jurisdiction of the property affected hereby, orders specifically authorizing the making and execution of this agreement and making the terms hereof binding upon subsequent purchasers, owners and possessors of the Wisconsin Central's Railroad property as provided in Section 21 hereof, (4) upon the North Western obtaining an order from the District Court of the United States for the Northern District of Illinois, Eastern Division, specifically authorizing the making and execution of this agreement, and (5) upon the North Western obtaining a further order from said Court providing that the terms hereof shall be binding upon any successor or successors of the said Trustee of its property, and upon any additional Trustee or Trustees of the North Western's property hereafter appointed by that Court in the pending proceedings under Section 77 of the Federal Bankruptcy Act, and binding upon subsequent purchasers, owners, and possessors of the North Western's railroad property, as provided in Section 22 hereof. Thereupon this agreement shall continue in force and effect thereafter in perpetuity or until terminated as hereinabove provided, or by mutual consent.

18. Except as herein otherwise provided, neither the North Western nor the Wisconsin Central shall assign, or in any manner transfer this agreement, or any right or privilege under, and by it granted. The rights created by this agreement shall attach to and run with the parts of the railways of the North Western and Wisconsin Central, respectively, that are involved hereunder and shall inure to the benefit of and be binding upon their successors and assigns, respectively, and either the North Western or the Wisconsin Central in connection with and as a part of its railway line, may sell, assign, lease or mortgage the rights herein granted it.

19. All notices required to be given by either party to the other may be given by serving the same in writing upon its president, vice-president, or secretary for the time being.

20. The Soo Line joins in the execution of this instrument solely for the purpose of consenting to its execution by the other parties in so far as the Soo Line may now or hereafter have any interest whether by purchase, lease or in any other manner whatsoever in the Wisconsin Central or its properties and for the purpose of agreeing that the Soo Line will exercise any control that it may now or hereafter have over the Wisconsin Central or its said properties for the purpose of bringing about performance of the cevenants and agreement herein set forth on the part of the Wisconsin Central to be kept and performed.

21. The execution of this agreement by said A. E. Wallace is solely as Receiver of the Wisconsin Central Railway Company and not as an individual, and neither he nor any one who shall succeed him as such Receiver shall be bound by any of the terms or conditions of this agreement after the date of his or their discharge as such Receiver. As such Receiver he further agrees, pursuant and subject to an order of the United States District Court for the District of Minnesota, Fourth Division, entered November 11, 1935, that upon any sale or lease of the line of railroad of the Wisconsin Central covered by this agreement, or upon any reorganization of the Wisconsin Central, upon termination of the existing Receivership of said company, or upon the happening of any other event which shall pass the title, ownership and/or possession of the said line of railroad, the party or parties, acquiring title, ownership, and/or possession thereof shall be required as a condition of such acquisition to give assent to this agreement and agree to be bound by all of the terms and conditions hereof, and to execute such written instrument or instruments as may be appropriate to evidence same.

22. The execution of this agreement by Charles P. Megan is solely as trustee of the property of Chicago and North Western Railway Company and not as an individual, and neither he nor any one who shall succeed him as such Trustee or any additional such Trustees shall be bound by any of the terms or conditions of this agreement after the date of his or their discharge as such Trustee or Trustees.

Upon and subject to the entry of the orders of the District Court of the United States, for the Northern District of Illinois, Eastern Division, referred to in Section 17, hereof, this agreement shall be binding upon any successor or additional Trustee, or Trustees, of the North Western's property hereafter appointed by said Court in the pending proceedings under Section 77 of the Federal Bankruptcy Act, wherein the North Western is the Debtor, and upon final confirmation by said Court of any plan of reorganization of said Debtor, the order confirming said plan, or any other order for sale or disposition of the North Western's property of which its line of railroad from Marshfield to Wisconsin Rapids is a part, shall provide that any party or parties acquiring the title

ownership, and/or possession of said line, pursuant to said plan or pursuant to any other sale or lease of said line or happening of any other event which shall pass the title, ownership or possession thereof, shall be required as a condition of such acquisition to give assent to this agreement and agree to be bound by all the terms and conditions hereof, and to execute such written instrument or instruments as may be appropriate to evidence same.

IN WITNESS WHEREOF the North Western, the Wisconsin Central, and the Soo Line (solely for the purpose stated in Section 20 hereof) have caused this agreement to be executed by their respective officers thereunto duly authorized, and the Receiver of the Wisconsin Central has executed same pursuant to authorization and order of the District Court of the United States, for the Fourth Division of Minnesota, as of the day and year first above written.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY,

By Fred W. Sargent
President.

ATTEST:

Barret Conway
Secretary.

WISCONSIN CENTRAL RAILWAY COMPANY

By C. T. Jaffray
President.

ATTEST:

P. J. Stock
Ass't Secretary

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY,

By C. T. Jaffray
President.

ATTEST:

P. J. Stock
Ass't Secretary

Charles P. Megan
As Trustee of the property of Chicago and North Western Railway Company.

A. E. Wallace
As Receiver of Wisconsin Central Railway Company, and not as an individual.

STATE OF ILLINOIS,)
COUNTY OF COOK,) SS.

On this 26th day of May, 1936, before me Margaret C. Carmody, a Notary Public in and for the State and County aforesaid, personally appeared Fred. W. Sargent and Barret Conway, who are personally known to me to be the President and the Vice President and Secretary, respectively, of Chicago and North Western Railway Company, a corporation, and two of the persons who executed the foregoing instrument, and they each acknowledged execution of the same, as such officers, on behalf of said corporation.

Margaret C. Carmody
Notary Public for Cook County, Illinois

My Commission expires July 20th, 1937.

STATE OF MINNESOTA,)
COUNTY OF HENNEPIN.) SS.

On this 22nd day of May, 1936, before me C. W. Arine, a Notary Public in and for the State and County aforesaid, personally appeared C. T. Jaffray and P. J. Stock, who

are personally known to me to be the President and Assistant Secretary, respectively, of Wisconsin Central Railway Company, a corporation, and two of the persons who executed the foregoing instrument and they each acknowledged execution of the same, as such officers, on behalf of said corporation.

C. W. Arine
Notary Public for Hennepin County, Minnesota

My Commission Expires Jan. 12th, 1939.

STATE OF MINNESOTA,)
COUNTY OF HENNEPIN.) SS.

On this 22nd day of May, 1936, before me C. W. Arine, a Notary Public in and for the State and County aforesaid, personally appeared C. T. Jaffray and P. J. Stock, who are personally known to me to be the President and the Assistant Secretary, respectively, of Minneapolis, St. Paul and Sault Ste. Marie Railway Company, a corporation, and two of the persons who executed the foregoing instrument, and they each acknowledged execution of the same, as such officers, on behalf of said corporation.

C. W. Arine
Notary Public for Hennepin County, Minnesota

My Commission Expires Jan. 12th, 1939.

STATE OF MINNESOTA,) ss.
COUNTY OF HENNEPIN.)

On this 22nd day of May, 1936, before me C. W. Arine, a Notary Public in and for the State and County aforesaid, personally appeared A. E. Wallace, who is personally known to me to be the Receiver of Wisconsin Central Railway Company, a corporation, and one of the persons who executed the foregoing instrument, and he acknowledged execution of the same as such Receiver.

C. W. Arine
Notary Public for Hennepin County, Minnesota

My Commission Expires Jan. 12th, 1939.

STATE OF ILLINOIS,)
COUNTY OF COOK.) SS.

On this 26th day of May, 1936, before me, Margaret C. Carmody, a Notary Public in and for the State and County aforesaid, personally appeared Charles P. Megan, who is personally known to me to be the Trustee of the property of Chicago and North Western Railway Company, and who executed the foregoing instrument, and he acknowledged the execution of same in his capacity as such Trustee.

Margaret C. Carmody
Notary Public for Cook County, Illinois
My Commission Expires July 20, 1937.

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.

Received this 12th day of Jan. A.D. 1939 at 10:50 o'clock A.M. and recorded in Vol. 33 of R. R. Mtgs. on page 606 - 614, incl.

R. W. Dixon
Asst. Secretary of State

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RELEASE OF LEASE CONTRACT

EXECUTED NOV.13, 1934

BY

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC R. R. CO.

Dated April 24, 1939.

* *

KNOW ALL MEN BY THESE PRESENTS, THAT:

The Austin-Western Road Machinery Company, Aurora, Kane County, Illinois Does Hereby Certify, That a certain

LEASE

Made and executed by CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC R. R. CO. of _____ Filed in the Office of Secretary of State, in the State of WISCONSIN on the 5th day of January, A. D. 1935 as instrument number 4 in Book C-532.6632_____ Of_____is with the note_____accompanying it, and the aforementioned debt fully paid, satisfied, released and discharged.

Witness my hand and seal this 24th day of April A. D. 1939.

THE AUSTIN-WESTERN ROAD MACHINERY CO.

By McCLURE KELLEY
TREASURER

STATE OF ILLINOIS) SS:
KANE COUNTY)

I, W. A. KERSTANN, A Notary Public in and for said County, in the State aforesaid, Do hereby certify that McCLURE KELLEY personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act.

Given under my hand and Notarial Seal this 24 day of April A. D. 1939.

(NOTARIAL SEAL)

W. A. KERSTANN
Notary Public in and for Kane County

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 26th day of April A. D. 1939 at 2:00 o'clock P. M. and recorded in Vol. 33 of R. R. Mtgs. on page 615.

R. W. DIXON
Assistant Secretary of State

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RELEASE OF LEASE CONTRACT

EXECUTED JAN'Y.30, 1935

BY

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC R. R. CO.

Dated April 24, 1939.

* *

KNOW ALL MEN BY THESE PRESENTS, THAT:

The Austin-Western Road Machinery Company, Aurora, Kane County, Illinois

Does Hereby Certify, That a certain

LEASE

Made and executed by CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC R. R. CO. of _____

Filed in the Office of Secretary of State in the State of Wisconsin on the 27th day of March A. D. 1935 as instrument number 5 in Book C-532.6632 _____

Of_____is with the note____accompanying it, and the aforementioned debt fully paid, satisfied, released and discharged.

Witness my hand and seal this 24th day of April A. D. 1939.

THE AUSTIN-WESTERN ROAD MACHINERY CO.

By McCLURE KELLEY
TREASURER

STATE OF ILLINOIS)
KANE COUNTY) SS:

I, W. A. KERSTANN, A Notary Public in and for said County, in the State aforesaid, Do Hereby certify that McCLURE KELLEY personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said Instrument as his free and voluntary act.

Given under my hand and Notarial Seal this 24 day of April A. D. 1939.

(NOTARIAL SEAL)

W. A. KERSTANN
Notary Public in and for Kane County

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.

Received this 26th day of April A. D. 1939 at 2:00 o'clock P. M. and ✓ recorded in Vol. 33 of R. R. Mtgs. on page 616.

R. W. DIXON
Assistant Secretary of State

Executed in 18 Counterparts
Counterpart No. 16

ASSIGNMENT AGREEMENT

Between

ELECTRO-MOTIVE CORPORATION

and

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

ASSIGNMENT AGREEMENT.

THIS AGREEMENT, dated December 17th, 1940, between ELECTRO-MOTIVE CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware, with its principal office and place of business in the Village of La Grange, Illinois, (hereinafter referred to as the "Manufacturer"), and CONTINENTAL ILLINOIS N ATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association duly organized and existing under the laws of the United States of America with its principal office and place of business in the City of Chicago, Illinois, (hereinafter referred to as the "Bank"),

WITNESSETH THAT:

WHEREAS, the Manufacturer and Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, (hereinafter referred to as the "Buyers"), entered into a Conditional Sale Agreement and Supplemental Agreement (both hereinafter referred to as Conditional Sale Agreement), dated as of September 1, 1940, duly filed and/or recorded as required by law prior to the execution of this Agreement, covering the following railroad equipment (hereinafter sometimes referred to as the "Equipment"):

Two new 125-ton, 1,000 horsepower Diesel switching locomotives, bearing Seller's Nos. 1188 and 1189 and Buyers' nos. 1653 and 1654, as described and warranted by Seller's specifications No. 595-D and Seller's proposals, dated July 30, 1940, and August 6, 1940, copy of which specifications and proposals have been furnished to the Buyers and reference to which is hereby expressly made; all as more particularly described in said Conditional Sale Agreement for the aggregate price of One Hundred Fifty-eight Thousand Nine Hundred Seventy-six Dollars ($158,976.00), payable in installments and with interest as therein provided:

NO, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that in consideration of the sum of One Hundred Fifty-eight Thousand-Nine Hundred Seventy-six Dollars ($158,976.00) paid by the Bank to the Manufacturer after completion of the delivery of said Equipment to and the acceptance of the same by the Buyers, and prior to or simultaneous with the ensealing and delivery hereof, the receipt of which sum so paid by the Bank the Manufacturer does hereby acknowledge, and in further consideration of the mutual covenants herein contained, the parties hereto do hereby covenant and agree as follows, to-wit:

1. The Manufacturer hereby sells, assigns, transfers and sets over unto the Bank all of the right, title, and interest of the Manufacturer in and to the said Equipment, together with all the rights in respect thereof set forth in the above mentioned Conditional Sale Agreement, as applying to the "Seller" thereunder as therein defined, without any recourse, however, against the Manufacture for or on account of the failure of the Buyers to make any of the payments provided for in, or otherwise to comply with any of the provisions of, the said Conditional Sale Agreement; provided, however, that this assignment shall not pass, assign, set over, or transfer to the Bank, or in any way affect or modify, the liability of the Manufacturer, or of any successor or successors to its manufacturing property and business, in respect of its guaranty or warranty obligations, it being

understood and agreed that notwithstanding this assignment all said obligations of the Manufacturer to the Buyers in respect of the said Equipment shall be and remain enforceable by the Buyers, their successors, and assigns, against and only against the Manufacturer, and any successor or successors to all or substantially all of its property and business, as in said Conditional Sale Agreement provided. Without hereby limiting the generality of the foregoing assignment and transfer, the Manufacturer hereby authorizes and empowers the Bank to sue for, collect, receive and enforce, in the name of and as Attorney, hereby irrevocably constituted, for the Manufacturer, but at the expense and liability and for the sole benefit of the Bank (against which expense and liability the Bank agrees to hold harmless and to indemnify the Manufacturer), with full power to substitute any one or more persons with like power, or in the name of the Bank, all sums payable and all action to be taken by the Buyers under said Conditional Sale Agreement in respect of the Equipment described therein.

2. The Manufacturer represents, covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said Equipment and rights under said Conditional Sale Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this Agreement; that the same are free from all liens or encumbrances; that the Manufacturer has good and lawful right to sell the same as aforesaid; and that the Manufacturer will warrant and defend the same against the lawful demands of all persons whomsoever based on claims originating prior to the execution and delivery of this assignment by the Manufacturer to the Bank; all subject, however, to the provisions of the aforesaid Conditional Sale Agreement, and the rights of the Buyers thereunder.

3. The Manufacturer covenants and agrees with the Bank that, in any suit or action brought by the Bank for the recovery of any sum or sums provided for in said Conditional Sale Agreement, to be paid by the Buyers, the Manufacturer will save, indemnify and keep harmless the Bank from and against all expense, loss or damage suffered by reason of any defense, set-off or counterclaim of the Buyers arising out of a breach by the Manufacturer of any of the Manufacturer's obligations respecting any of said Equipment under the terms and conditions of said Conditional Sale Agreement. The Manufacturer agrees to save, indemnify and keep harmless the Bank from and against any and all royalties, damages, claims, suits, judgments, and costs that may arise from the use of any patented article, except with regard to any appliances, devices or materials specified by the Buyers and not manufactured by the Manufacturer.

4. The Manufacturer warrants that at the time of the delivery of said Equipment to the Buyers, it delivered to the Buyers metal plates, for ready attachment on both sides of each unit of said equipment, plainly and conspicuously marked as follows:

"Continental Illinois National Bank and Trust Company of Chicago, Owner by assignment from Electro-Motive Corporation, Manufacturer and Prior Owner."

5. All rights and obligations hereunder shall be governed by the laws of the State of Illinois.

This agreement may be simultaneously executed in two (2) or more counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced for all purposes by any such original counterpart.

IN WITNESS WHEREOF, the Parties hereto, pursuant to due corporate authority, have caused this Agreement to be executed in the respective corporate names by their respective

officers thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, as of the day, month and year first above written.

ELECTRO-MOTIVE CORPORATION,

(SEAL)

By F. H. PRESCOTT
Vice-President

Attest :

A. D. PEDLAR
Assistant Secretary

Signed, sealed and delivered by Electro-Motive Corporation in the presence of:

C. L. Koch

E. M. Smith
Attesting Witnesses

(SEAL)

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By W. J. DELANEY
Vice-President.

Attest:

R. W. SWEZEY
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

Mary T. Barry

A. G. Schell
Attesting Witnesses.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Katherine Louden, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on the 17th day of December, 1940, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named F. H. Prescott and A. D. Pedlar, to me personally known and known to me to be, respectively, the Vice President and Assistant Secretary of Electro-Motive Corporation, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, the said F. H. Prescott and A. D. Pedlar, being by me severally duly sworn, did on oath, each for himself and not one for the other, severally depose and say and acknowledge in the presence of said witnesses that said F. H. Prescott, resides in Hinsdale, in the State of Illinois, and that said A. D. Pedlar resides in La Grange, in the State of Illinois; that said F. H. Prescott is Vice President and said A. D. Pedlar is Assistant Secretary of Electro-Motive Corporation, the corporation described in and which executed the within and foregoing instrument in writing; that they, said F. H. Prescott, Vice-President, and said A. D. Pedlar, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto by authority of the Board of Directors of said corporation; that they and each of them signed their names to, and executed the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like authority; that they signed, sealed with the corporate seal, executed, and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation and that said corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires 12/6/43.

(SEAL)

Katherine Louden
Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS)
) SS
COOK COUNTY)

I, Michael J. Flynn, County Clerk of the County of Cook, Do hereby certify that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that

Katherine Louden whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 18 day of December 1940.

(SEAL) Michael J. Flynn, County Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Geo. Loacker, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on the 17th day of December, 1940, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named W. J. Delaney and R. W. Swezey to me personally known and known to me to be, respectively, a Vice-President and an Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, a national banking association described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said W. J. Delaney and R. W. Swezey, being by me severally duly sworn, did on oath, each for himself and not one for the other, severally depose and say and acknowledge in the presence of said witnesses that said W. J. Delaney resides in Chicago, in the State of Illinois, and that said R. W. Swezey resides in Chicago, in the State of Illinois; that said W. J. Delaney, is Vice President, and said R. W. Swezey is Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said W. J. Delaney, Vice President, and R. W. Swezey, Assistant Secretary, know the corporate seal of said national banking association; that the seal affixed to said instrument as the seal of said national banking association is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said national banking association; that they and each of them signed their names to, and executed the foregoing instrument in their respective capacities as Vice-President and Assistant Secretary in behalf of said national banking association by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said national banking association, for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said national banking association, and that said national banking association executed the same.

In TESTIMONY HWEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this, the day and year in this my certificate first above written.

My commission as such Notary Public expires Jan. 18,1941.

(SEAL) Geo. Loacker
Notary Public in and for the
State of Illinois, County of Cook.

STATE OF ILLINOIS)
COOK COUNTY) SS

I, Michael J. Flynn, County Clerk of the County of Cook, Do Hereby Certify that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that Geo. Loacker whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 18 day of December 1940.

(SEAL) MICHAEL J. FLYNN, County Clerk

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 24th day of Dec. A. D. 1940 at 9:00 o'clock A, M. and recorded in Vol. 33 of Railroad Mortgages on page 617-620, inclusive.

Robert C. Zimmerman
Assistant Secretary of State

Executed in 15 Counterparts
Counterpart No. 15

SUPPLEMENTAL AGREEMENT
between
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
and
HENRY A. SCANDRETT, WALTER J. CUMMINGS AND GEORGE I. HAIGHT
Trustees

THIS SUPPLEMENTAL AGREEMENT, dated as of the 24th day of December, 1940, by and between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association duly organized and existing under the laws of the United States of America, with its principal office and place of business in the City of Chicago, Illinois (hereinafter referred to as the "Bank"), as party of the first part, and HENRY A. SCANDRETT, WALTER J. CUMMINGS and GEORGE I. HAIGHT, as Trustees of the property of CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY, appointed by order of the United States District Court for the Northern District of Illinois, Eastern Division, in a certain proceeding therein pending, entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor", Docket No. 60463, as parties of the second part (hereinafter referred to as the "Trustees");

WITNESSETH THAT:

WHEREAS, the Trustees and the American Locomotive Company, a corporation organized and existing under the laws of the State of New York, entered into a conditional Sale Agreement, dated as of September 1, 1940, under the terms of which the American Locomotive Company agreed to sell to the Trustees, and the Trustees agreed to buy from the American Locomotive Company, three new 1,000-horsepower Diesel switching locomotives, Nos. 1672, 1673 and 1674, at a price of $82,440.00 each, and one 1,000-horsepower Diesel switching locomotive, No. 1671, at a price of $77,500.00; and

WHEREAS, by assignment dated November 12, 1940, the American Locomotive Company, in consideration of the payment to it of $324,820.00 plus accrued interest, sold, assigned and transferred unto the Bank, all of its right, title and interest in and to said Conditional Sale Agreement; and

WHEREAS, the American Locomotive Company has reduced the price on said new 1,000 horsepower Diesel switching locomotives to $79,440.00 each, and has agreed to make said price reduction retroactive so as to include the three new Diesel switching locomotives, Nos. 1672, 1673, and 1674, sold to the Trustees under said Conditional Sale Agreement dated as of September 1, 1940; and

WHEREAS, the American Locomotive Company has refunded to the Bank the sum of $9,000.00, and the parties hereto desire to modify said Conditional Sale Agreement to reflect such price reduction and refund.

NOW, THEREFORE, in consideration of the premises, and of their mutual and dependent covenants hereinafter set forth, it is agreeed that said Conditional Sale Agreement between the Trustees and the American Locomotive Company, dated as of September 1, 1940, and assigned by the American Locomotive Company to the Bank on November 12, 1940, be, and the same is hereby, modified by providing for a price on each of said new 1,000 horsepower Diesel switching locomotives, Nos. 1672, 1673 and 1674 of $79,440.00 f.o.b. Trustees' Station, Milwaukee, Wisconsin, in lieu of the price of $82,440.00 f.o.b. Trustees' Station, Milwaukee, Wisconsin, as therein set forth. The price of $77,500.00 on said 1,000-horsepower Diesel switching locomotive, No. 1671, shall remain unchanged.

It is further mutually agreed that said Conditional Sale Agreement be, and the

same is hereby, modified by providing, in Section 2, Paragraph (b), for a total of 96 consecutive monthly payments of $3,562.73 each, except that the final monthly payment shall be in the amount of $3,562.20, in lieu of 96 consecutive monthly payments of $3,664.25, as therein provided.

It is further mutually agreed that such adjustment of accounts shall be made as may be necessary by reason of the overpayment of principal by the Trustees on December 1, 1940, and by reason of the interest due the Bank on the $9,000.00 from December 1, 1940, to the date of the refund.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly elected officers and representatives thereunto duly authorized, as of the day and year first above written.

(SEAL)

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO.

By W. J. DELANEY
Vice President.

Attest:

R. W. SWEZEY
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

M. T. Barry

A. G. Schell
Attesting Witnesses.

HENRY A. SCANDRETT,
WALTER J. CUMMINGS,
GEORGE I. HAIGHT
Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company.

By HENRY A. SCANDRETT
One of said Trustees

Signed, sealed and delivered by Henry A. Scandrett, one of said Trustees, in the presence of:

W. A. Dietze

Howard A. Florus
Attesting Witnesses.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Geo. Loacker, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on the 30th day of December, 1940, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named W. J. DELANEY and R. W. SWEZEY, to me personally known and known to me to be, respectively, a Vice-President and an Assistant Secretary of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said W. J. DELANEY and R. W. SWEZEY, being by me severally duly sworn, did on oath, each for himself and not one for the other, severally depose and say and acknowledge in the presence of said witnesses that said W. J. DELANEY resides in Chicago, in the State of Illinois, and that said R. W. SWEZEY resides in Park Ridge, in the State of Illinois; that said W. J. DELANEY, is Vice President, and said R. W. SWEZEY, is Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said W. J. DELANEY, Vice President, and R. W. SWEZEY, Assistant Secretary, know the corporate seal of said national banking association; that the seal affixed to said instrument as the seal of said national banking association is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said national banking association; that they and each of them signed their names to, and executed the foregoing instrument in their respective capacities as Vice-President and Assistant Secretary in behalf of said national banking association by like order and authority; that they signed, sealed with the corporate seal, executed and delivered said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said

national banking association, for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be the free and voluntary act and deed of said national banking association, and that said national banking association executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this, the day and year in this my certificate first above written.

My commission as such Notary Public expires Jan. 16, 1941.

(SEAL)

GEO. LOACKER

Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS)
) SS
COOK COUNTY)

I, Michael J. Flynn, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that Geo. Loacker whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 31 day of December, 1940.

(SEAL)

Michael J. Flynn, County Clerk

STATE OF ILLINOIS) ss
COUNTY OF COOK)

I, J. M. Jarmotz, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on this 28th day of December, 1940, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, the within named Henry A. Scandrett, one of the Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, to me personally known and known to me to be the individual described and named in and the identical person who subscribed his name to and whose name is subscribed to and who executed the within and foregoing instrument in writing as such Trustee in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said Henry A. Scandrett duly acknowledged to me in the presence of said witnesses that he is duly authorized to sign said instrument for and on behalf of the Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, and that he signed, sealed, executed and delivered said instrument as the free and voluntary act and deed of such Trustees, and as his free and voluntary act and deed, for the consideration, objects, uses and purposes therein mentioned, stated and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public in said County of Cook, State of Illinois, this the day and year in this my certificate first above written.

My commission as such Notary Public expires July 21, 1943.

J. M. JARMOTZ
Notary Public in and for the State of Illinois, County of Cook

(SEAL)

STATE OF ILLINOIS)
COOK COUNTY) SS.

I, Michael J. Flynn, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy, that J. M. Jarmotz whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and, further that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago, in the said County, this 31 day of December, 1940.

MICHAEL J. FLYNN, County Clerk

(SEAL)

STATE OF WISCONSIN
DEPARTMENT OF STATE } SS.

Received this 4th day of Jan. A.D. 1941 at 8:30 o'clock A. M. and recorded in Vol 33 of Railroad Mortgages on page 621-623, incl. ROBERT C. ZIMMERMAN, Asst. Secy. of State

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CONDITIONAL SALE AGREEMENT

between

AMERICAN CAR AND FOUNDRY COMPANY

AND

NORTHERN PACIFIC RAILWAY COMPANY

DATED FEBRUARY 28, 1941

THIS AGREEMENT made this 28th day of February, 1941, by and between AMERICAN CAR AND FOUNDRY COMPANY, a corporation organized and existing under and by virtue of the Laws of the State of New Jersey, having an office at No. 30 Church Street, Borough of Manhattan, New York City, New York, hereinafter called "Vendor", Party of the First Part, and NORTHERN PACIFIC RAILWAY COMPANY, a corporation organized and existing under and by virtue of the Laws of the State of Wisconsin, having an office at St. Paul, Minnesota, hereinafter called "Vendee", Party of the Second Part,

WITNESSETH:

That in consideration of the mutual promises of the parties hereto hereinafter set forth, the parties hereto agree as follows:

1. Vendor will build One thousand (1,000) 50-ton Steel Sheathed Box Cars (hereinafter sometimes called "Box Cars"), Three hundred (300) 50-ton Steel Hopper Cars (hereinafter sometimes called "Hopper Cars") and Two hundred (200) 70-ton Hart Selective Ballast Cars (hereinafter sometimes called "Ballast Cars") as described below. Said Box Cars, Hopper Cars and Ballast Cars are hereinafter collectively referred to as the "Cars". Vendor will sell and deliver said Cars on completion thereof by consigning (a) the Box Cars to Vendee at Vendee's tracks at Belt Line, Minnesota, (b) the Hopper Cars to Vendee at Chesapeake & Ohio tracks at Russell, Kentucky, and (c) the Ballast Cars to Vendee at Vendee's tracks at Belt Line, Minnesota, and Vendee will purchase said Cars on completion thereof and will accept delivery of the Box Cars and Ballast Cars on their arrival at its tracks at Belt Line, Minnesota, and will accept delivery of the Hopper Cars on their arrival at Chesapeake & Ohio tracks at Russell, Kentucky, subject to each and all the terms and conditions of this contract. Said Box Cars, subject to conditions named in Vendor's letter proposal, dated December 4, 1940, shall be duplicates of box cars constructed under agreement dated February 13, 1940, between Vendor and Thomas A. Dooling and Harold Michael, Vendors under Northern Pacific Railway Equipment Trust of 1940, Vendee, and shall be lettered with the reporting marks N. P. and numbered 16000 to 16999, both inclusive. Said Hopper Cars, subject to conditions named in Vendor's letter proposal, dated December 6, 1940, shall be duplicates of Hopper Cars constructed under agreement dated January 26, 1940, between Vendor and Thomas A. Dooling and Harold Michael, Vendors under Northern Pacific Railway Equipment Trust of 1940, Vendee, and shall be lettered with the reporting marks N. P. and numbered 70600 to 70899, both inclusive. Said Ballast Cars, subject to conditions named in Vendor's letter proposal, dated December 6, 1940, shall be duplicates of Ballast Cars constructed under agreement dated March 9, 1940, between Rodger Ballast Car Company, Vendor, and Thomas A. Dooling and Harold Michael, Vendors under Northern Pacific Railway Equipment Trust of 1940, Vendee, and shall be lettered with the reporting marks N.P. and numbered 85100 to 85299, both inclusive.

2. Vendee will pay Vendor as purchase price for said Cars on basis of $2,906.54 per Box Car and $3,425.16 per Ballast Car as completed and delivered f.o.b. Vendee's tracks at Belt Line, Minnesota, and $2,246.48 per Hopper Car as completed and delivered f.o.b.

Chesapeake & Ohio tracks at Russell, Kentucky, making an aggregate purchase price of $4,265,516.00 for all said Cars. Said purchase price shall be payable to Vendor at its office in New York, N.Y., or at such Bank or Trust Company, either in the Cities of Chicago or New York or elsewhere, as Vendor may in writing direct, free of expense to Vendor for collection or other charges, as follows:

Payments for the Cars will be made by Vendee in 102 monthly installments, of which 101 installments shall be in the amount of $45,625.00 each and the remaining installment shall be in the amount of $32,717.48, on the 1st day of each month commencing June 1, 1941 and continuing until the full purchase price be paid, including interest thereon at the rate of 2% per annum on the diminishing unpaid balances of purchase price remaining to be paid during each such month.

A schedule of such payments to be so made by Vendee showing the amounts and dates of the installment payments, the amount and interest due on the diminishing balance of the purchase price remaining unpaid as of each such payment date and the balance of the unpaid purchase price of the Cars remaining unpaid after credit of payment made as of said date, is as follows:

SCHEDULE OF PAYMENTS

	Date of Payments	Monthly Installments	Interest Included at 2%	Balance Applied to Principal	Balance Due
					4,265,516.00
1.	June 1,1941	45,625.00	7,109.19	38,515.81	4,227,000.19
2.	July 1,1941	45,625.00	7,045.00	38,580.00	4,188,420.19
3.	Aug. 1,1941	45,625.00	6,980.70	38,644.30	4,149,775.89
4.	Sept.1,1941	45,625.00	6,916.29	38,708.71	4,111,067.18
5.	Oct. 1,1941	45,625.00	6,851.78	38,773.22	4,072,293.96
6.	Nov. 1,1941	45,625.00	6,787.16	38,837.84	4,033,456.12
7.	Dec. 1,1941	45,625.00	6,722.43	38,902.57	3,994,553.55
8.	Jan. 1,1942	45,625.00	6,657.59	38,967.41	3,955,586.14
9.	Feb. 1,1942	45,625.00	6,592.64	39,032.36	3,916,553.78
10.	Mar. 1,1942	45,625.00	6,527.59	39,097.41	3,877,456.37
11.	Apr. 1,1942	45,625.00	6,462.43	39,162.57	3,838,293.80
12.	May 1,1942	45,625.00	6,397.16	39,227.84	3,799,065.96
13.	June 1,1942	45,625.00	6,331.78	39,293.22	3,759,772.74
14.	July 1,1942	45,625.00	6,266.29	39,358.71	3,720,414.03
15.	Aug. 1,1942	45,625.00	6,200.69	39,424.31	3,680,989.72
16.	Sept.1,1942	45,625.00	6,134.98	39,490.02	3,641,499.70
17.	Oct. 1,1942	45,625.00	6,069.17	39,555.83	3,601,943.87
18.	Nov. 1,1942	45,625.00	6,003.24	39,621.76	3,562,322.11
19.	Dec. 1,1942	45,625.00	5,937.20	39,687.80	3,522,634.31
20.	Jan. 1,1943	45,625.00	5,871.06	39,753.94	3,482,880.37
21.	Feb. 1,1943	45,625.00	5,804.80	39,820.20	3,443,060.17
22.	Mar. 1,1943	45,625.00	5,738.43	39,886.57	3,403,173.60
23.	Apr. 1,1943	45,625.00	5,671.96	39,953.04	3,363,220.56
24.	May 1,1943	45,625.00	5,605.37	40,019.63	3,323,200.93
25.	June 1,1943	45,625.00	5,538.67	40,086.33	3,283,114.60
26.	July 1,1943	45,625.00	5,471.86	40,153.14	3,242,961.46
27.	Aug. 1,1943	45,625.00	5,404.94	40,220.06	3,202,741.40
28.	Sept.1,1943	45,625.00	5,337.90	40,287.10	3,162,454.30
29.	Oct. 1,1943	45,625.00	5,270.76	40,354.24	3,122,100.06
30.	Nov. 1,1943	45,625.00	5,203.50	40,421.50	3,081,678.56
31.	Dec. 1,1943	45,625.00	5,136.13	40,488.87	3,041,189.69
32.	Jan. 1,1944	45,625.00	5,068.65	40,556.35	3,000,633.34
33.	Feb. 1,1944	45,625.00	5,001.06	40,623.94	2,960,009.40
34.	Mar. 1,1944	45,625.00	4,933.35	40,691.65	2,919,317.75
35.	Apr. 1,1944	45,625.00	4,865.53	40,759.47	2,878,558.28
36.	May 1,1944	45,625.00	4,797.60	40,827.40	2,837,730.88
37.	June 1,1944	45,625.00	4,729.55	40,895.45	2,796,835.43
38.	July 1,1944	45,625.00	4,661.39	40,963.61	2,755,871.82
39.	Aug. 1,1944	45,625.00	4,593.12	41,031.88	2,714,839.94
40.	Sept.1,1944	45,625.00	4,524.73	41,100.27	2,673,739.67
41.	Oct. 1,1944	45,625.00	4,456.23	41,168.77	2,632,570.90
42.	Nov. 1,1944	45,625.00	4,387.62	41,237.38	2,591,333.52
43.	Dec. 1, 1944	45,625.00	4,318.89	41,306.11	2,550,027.41
44.	Jan. 1,1945	45,625.00	4,250.05	41,374.95	2,508,652.46
45.	Feb. 1,1945	45,625.00	4,181.09	41,443.91	2,467,208.55
46.	Mar. 1,1945	45,625.00	4,112.01	41,512.99	2,425,695.56
47.	Apr. 1,1945	45,625.00	4,042.83	41,582.17	2,384,113.39
48.	May 1,1945	45,625.00	3,973.52	41,651.48	2,342,461.91
49.	June 1,1945	45,625.00	3,904.10	41,720.90	2,300,741.01
50.	July 1,1945	45,625.00	3,834.57	41,790.43	2,258,950.58
51.	Aug. 1,1945	45,625.00	3,764.92	41,860.08	2,217,090.50
52.	Sept.1,1945	45,625.00	3,695.15	41,929.85	2,175,160.65
53.	Oct. 1,1945	45,625.00	3,625.27	41,999.73	2,133,160.92
54.	Nov. 1,1945	45,625.00	3,555.27	42,069.73	2,091,091.19
55.	Dec. 1,1945	45,625.00	3,485.15	42,139.85	2,048,951.34

	Date of Payments	Monthly Installments	Interest Included at 2%	Balance Applied to Principal	Balance Due
56.	Jan. 1, 1946	45,625.00	3,414.92	42,210.08	2,006,741.26
57.	Feb. 1, 1946	45,625.00	3,344.57	42,280.43	1,964,460.83
58.	Mar. 1, 1946	45,625.00	3,274.10	42,350.90	1,922,109.93
59.	Apr. 1, 1946	45,625.00	3,203.52	42,421.48	1,879,688.45
60.	May 1, 1946	45,625.00	3,132.81	42,492.19	1,837,196.26
61.	June 1, 1946	45,625.00	3,061.99	42,563.01	1,794,633.25
62.	July 1, 1946	45,625.00	2,991.06	42,633.94	1,751,999.31
63.	Aug. 1, 1946	45,625.00	2,920.00	42,705.00	1,709,294.31
64.	Sept.1, 1946	45,625.00	2,848.82	42,776.18	1,666,518.13
65.	Oct. 1, 1946	45,625.00	2,777.53	42,847.47	1,623,670.66
66.	Nov. 1, 1946	45,625.00	2,706.12	42,918.88	1,580,751.78
67.	Dec. 1, 1946	45,625.00	2,634.59	42,990.41	1,537,761.37
68.	Jan. 1, 1947	45,625.00	2,562.94	43,062.06	1,494,699.31
69.	Feb. 1, 1947	45,625.00	2,491.16	43,133.84	1,451,565.47
70.	Mar. 1, 1947	45,625.00	2,419.28	43,205.72	1,408,359.75
71.	Apr. 1, 1947	45,625.00	2,347.27	43,277.73	1,365,082.02
72.	May 1, 1947	45,625.00	2,275.14	43,349.86	1,321,732.16
73.	June 1, 1947	45,625.00	2,202.89	43,422.11	1,278,310.05
74.	July 1, 1947	45,625.00	2,130.52	43,494.48	1,234,815.57
75.	Aug. 1, 1947	45,625.00	2,058.03	43,566.97	1,191,248.60
76.	Sept.1, 1947	45,625.00	1,985.41	43,639.59	1,147,609.01
77.	Oct. 1, 1947	45,625.00	1,912.68	43,712.32	1,103,896.69
78.	Nov. 1, 1947	45,625.00	1,839.83	43,785.17	1,060,111.52
79.	Dec. 1, 1947	45,625.00	1,766.85	43,858.15	1,016,253.37
80.	Jan. 1, 1948	45,625.00	1,693.76	43,931.24	972,322.13
81.	Feb. 1, 1948	45,625.00	1,620.54	44,004.46	928,317.67
82.	Mar. 1, 1948	45,625.00	1,547.20	44,077.80	884,239.87
83.	Apr. 1, 1948	45,625.00	1,473.73	44,151.27	840,088.60
84.	May 1, 1948	45,625.00	1,400.15	44,224.85	795,863.75
85.	June 1, 1948	45,625.00	1,326.44	44,298.56	751,565.19
86.	July 1, 1948	45,625.00	1,252.61	44,372.39	707,192.80
87.	Aug. 1, 1948	45,625.00	1,178.65	44,446.35	662,746.45
88.	Sept.1, 1948	45,625.00	1,104.58	44,520.42	618,226.03
89.	Oct. 1, 1948	45,625.00	1,030.38	44,594.62	573,631.41
90.	Nov. 1, 1948	45,625.00	956.05	44,668.95	528,962.46
91.	Dec. 1, 1948	45,625.00	881.60	44,743.40	484,219.06
92.	Jan. 1, 1949	45,625.00	807.03	44,817.97	439,401.09
93.	Feb. 1, 1949	45,625.00	732.34	44,892.66	394,508.43
94.	Mar. 1, 1949	45,625.00	657.51	44,967.49	349,540.94
95.	Apr. 1, 1949	45,625.00	582.57	45,042.43	304,498.51
96.	May 1, 1949	45,625.00	507.50	45,117.50	259,381.01
97.	June 1, 1949	45,625.00	432.30	45,192.70	214,188.31
98.	July 1, 1949	45,625.00	356.98	45,268.02	168,920.29
99.	Aug. 1, 1949	45,625.00	281.53	45,343.47	123,576.82
100.	Sept.1, 1949	45,625.00	205.96	45,419.04	78,157.78
101.	Oct. 1, 1949	45,625.00	130.26	45,494.74	32,663.04
102.	Nov. 1, 1949	32,717.48	54.44	32,663.04	.....

The above schedule of payments is based on May 1, 1941, as average date of delivery of the Cars. In the event the actual average date of delivery shall be either prior or subsequent to said date, the first monthly installment payment will be adjusted by adding thereto if such average date of delivery be prior to that date, or by subtracting therefrom if such average date of delivery be subsequent to that date an amount equal to $233.727 for each day that such actual average date of delivery shall be prior or subsequent to May 1, 1941, such amount representing interest for one day on the purchase price of the Cars at the rate of 2% per annum. Any monthly payment or payments, at the option of the Vendee, may be paid in advance of maturity, on any payment date, any such payment or payments in advance of maturity to be discounted to a sum which, at the rate of 2% per annum, simple interest, would produce the agreed payment or payments upon the due date or dates.

3. Vendor will give Vendee full opportunity to inspect said Box Cars during the construction thereof at its St. Louis, Missouri plant, to inspect said Hopper Cars during the construction thereof at its Huntington, West Virginia plant, and to inspect said Ballast Cars during the construction thereof at its Madison, Illinois plant. On completion of each of said Cars Vendee will arrange for final inspection thereof and will have its inspector execute in duplicate the usual form of certificates of inspection covering all Cars found to be completed in accordance with the plans and specifications. Each such certificate with respect to the Cars covered thereby shall be final and conclusive evidence that such Cars conform in workmanship, material, construction and in all other respects to the requirements and provisions of this contract. Vendee will arrange also for acceptance of said Box Cars and Ballast Cars by a duly authorized agent upon arrival

thereof at the place of delivery at Belt Line, Minnesota, and for acceptance of said Hopper Cars by a duly authorized agent upon arrival thereof at the place of delivery at Russell, Kentucky.

4. Vendor will deliver said Box Cars and Ballast Cars at Belt Line, Minnesota and said Hopper Cars at Russell, Kentucky ready for service and free of all liens, encumbrances and claims of any nature by or in favor of any other person or party and subject only to the reservation of title thereto by Vendor in accordance with the provisions hereof. Shipment of (a) Hopper Cars will be commenced on or before March 17, 1941 and will continue at the rate of approximately twenty (20) Cars per working day based upon five work days per week, (b) Ballast Cars will be commenced on or before April 7, 1941 and will continue at the rate of approximately ten (10) Ballast Cars per working day based upon five work days per week, and (c) Box Cars will be commenced on or before April 16, 1941 and will continue at the rate of approximately twenty (20) Box Cars per working day based upon five work days per week subject, however, to delays due to labor troubles, fires, floods, explosions or other accidents, or to delays of carriers or of sub-contractors or in receipt of material or to any other cause or causes (whether or not of the same general character as those herein specifically enumerated) beyond Vendor's reasonable control.

5. Vendor agrees to indemnify and save Vendee harmless from any and all liabilities, damages, claims, suits, judgments and costs that may arise from the use of any patented article, other than those specified or required by Vendee and which are not manufactured by the Vendor, that may be a part of the Cars when delivered, and Vendee agrees to indemnify and save Vendor harmless from any and all liabilities, damages, claims, suits, judgments and costs that may arise from the use of any patented article specified or required by Vendee and not manufactured by the Vendor that may be used as a part of the Cars.

Immediate notice in writing shall be given by either party to the other of any claim of patent infringement presented to such party with respect to the Cars, and the party responsible for such infringement as above provided, shall promptly undertake and assume the defense thereof.

6. All payments by Vendee hereunder shall be free of expense to Vendor for collection or other charges, and no deductions shall be made therefrom of the amount of any Federal, State or other taxes, assessments or governmental charges hereafter levied or imposed upon said Cars, or upon the selling, shipment, delivery or use thereof, and Vendee hereby specifically agrees to pay to Vendor in addition to the above mentioned purchase price of the Cars, all sales taxes, or like taxes or charges which may be assessed, levied or imposed upon or with respect to the sale or delivery to or use by Vendee of said Cars, or any of them, and which Vendor may be legally required to pay to any State or municipality or to the United States or other government. All payments provided for in this contract shall be made by Vendee to Vendor in such currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts.

Vendee shall also pay promptly all taxes, assessments and governmental charges which from time to time may be imposed upon the Cars, or the earnings arising therefrom, or the operation thereof, or upon Vendor by reason of its ownership thereof, by any government of any country, state or political subdivision thereof, in which the Cars may be located, or which shall have jurisdiction over the Cars or any part of them, and Vendee agrees at all times to keep the Cars free and clear of all tax liens and encumbrances; provided, however, that Vendee shall not be required to pay any tax, assessment or other Governmental

charge, the validity of which Vendee shall contest in good faith and by appropriate legal proceedings until such contest shall have been decided, unless in the judgment of Vendor its rights and interests in the Cars may be materially endangered by such delay.

Vendee shall comply in all respects with all laws of the United States and of the States, in or through which the said Cars may be operated, covering the use, operation or maintenance of said Cars, and with the lawful rules with respect to said Cars, of the Interstate Commerce Commission, and of every other legislative, administrative or judicial body exercising any power or jurisdiction over said Cars; and in the event that the said laws or rules require any alterations of any of said Cars, or any additional equipment or appliances thereon, Vendee shall conform therewith at its own expense and shall maintain said Cars in proper condition for operation under such laws and rules during the life of this contract.

7. Vendor shall retain full legal title to and property in all said Cars until Vendee shall have made all the payments and shall have performed all of the covenants in this contract provided to be made, kept or performed by Vendee, notwithstanding the delivery of Cars to and the possession and use thereof by Vendee as herein provided. Any and all replacements of parts of the Cars or additional equipment or facilities installed thereon or therein shall constitute accessions to the Cars the title to which shall be immediately vested in Vendor, and which shall be subject to all the terms, reservations and conditions of this contract. When Vendee shall have paid in full the entire purchase price for all of said Cars, with interest thereon, and all other payments herein provided to be made by Vendee with respect thereto, title to and property in each and all said Cars shall pass to Vendee without further transfer or act on the part of the Vendor, but Vendor will, if requested by Vendee so to do, execute and deliver to Vendee a bill of sale covering the Cars when the full purchase price with interest and other payments as aforesaid have been fully paid.

8. At all times while this contract is in force, Vendee at its own expense shall keep the above Cars insured against damage or destruction by fire, while on its lines, in an insurance company or companies approved by Vendor. Such insurance may be in blanket form, provided that, with respect to Vendee's railroad equipment and the Cars covered by this agreement, it protects the Vendor and Vendee as their interests may appear against loss or damage thereto sustained in any one fire to the extent of $1,000,000 with the first $10,000 of loss deductible. The policy shall specify that all payments of loss on said Cars shall be made to Vendor as its interest may appear, and the Vendee shall furnish evidence of such insurance satisfactory to the Vendor. In case Vendee shall fail to keep such Cars so insured or furnish evidence of such insurance satisfactory to the Vendor the Vendor may itself insure such Cars, and in this event Vendee shall be obligated to repay to Vendor the amount of premiums paid therefor with interest thereon at the rate of 5% per annum from the time of such payment until repaid.

Any moneys collected or received by Vendee from any company or companies issuing such policies, as a result of loss covered by said insurance, or received from another railroad company on account of said Cars being damaged or destroyed by accident or otherwise on the lines of such other railroad (not in excess, however, of unpaid balance of purchase price), shall be immediately remitted to Vendor to be held by Vendor for the account of the Vendee pending repair or replacement of such Cars by Vendee.

Any such moneys remitted to the Vendor shall be paid over to the Vendee in reimbursement of the cost of repair or replacement of any of said Cars damaged or destroyed by fire, or by accident or otherwise on the lines of another railroad, upon satisfactory

proof of such repair or replacement.

9. Vendee at its own cost shall keep all said Cars in good order and proper running repair and in case of damage thereto by fire, accident or otherwise will promptly repair the Car or Cars so damaged and restore them to good running order. In case any Car shall be damaged beyond repair or destroyed, Vendee shall promptly pay Vendor an amount equal to the full unpaid balance of the purchase price (any payment already received by Vendor as insurance or from another Railroad Company as compensation for such damage or loss to be first credited toward payment of such balance), and such amount with suitable allowance of interest at said rate of 2% per annum will be credited by Vendor toward payment in reverse order of latest installment payment or payments to be made by Vendee hereunder. Within twenty (20) days after receiving advice of damage to or destruction of any of said Cars, Vendee will give Vendor written notice thereof with full particulars of the extent of the loss or damage incurred. Any failure on the part of Vendee to repair or replace any such Car with reasonable promptness or to pay for each Car which may be destroyed, shall entitle Vendor to declare a default hereunder and to take such action as is authorized to be taken by Vendor in case of a default by Vendee in making payment for said Cars as herein provided.

Vendee will permit inspection of said Cars from time to time by agents of Vendor and upon request of Vendor will furnish from time to time a statement showing the location (as nearly as may be) and condition of said Cars and what, if any, substantial repairs have been made upon any of them since the last preceding report.

10. Before delivery of said Cars to Vendee, Vendor will fasten upon each side of each Car a metal plate bearing the following words in letters not less than one inch in height: "American Car and Foundry Company, Owner". Such plates will be so located as to be readily visible and to indicate plainly Vendor's ownership of said Cars. In case, during the continuance of this contract, such plates or markings shall at any time be removed, defaced or destroyed, Vendee shall immediately at its own cost, cause the same to be restored or replaced; and if by reason of change of la w or otherwise, additional or other plates or markings shall be required to protect the interests of Vendor, Vendee shall provide and install and thereafter maintain the same on all such Cars.

The Cars may be lettered "Northern Pacific", "N. P.", or in some other appropriate manner, as Vendee may desire, and may be numbered for convenience in identification; but Vendee, during the continuance of this contract, will not allow the name of any corporation or other party to be placed on any of the Cars, in such manner that such name or designation might be interpreted as a claim of ownership thereof by any person, association or corporation other than Vendor or its assignee. Vendee shall not, without Vendor's written consent, alter or obliterate the lettering or numbering (as herein above specified) of the Cars or any of them. Any change in the lettering or numbering of any of the Cars requested by Vendee and assented to by Vendor shall be evidenced by agreement in form satisfactory to Vendor executed in one or more counterparts as it may request and filed and/or recorded in such office or offices as Vendor shall direct.

All the provisions of this contract shall apply with respect to Cars substituted for such of the Cars originally delivered as shall become damaged or destroyed with precisely the same force and effect as if such substituted Cars were part of the Cars originally delivered; and the word "Cars" as used herein shall mean as well the substituted as the original Cars.

In the event of a transfer or assignment, or successive transfers or assignments by Vendor or its assignees of title to said Cars and of Vendor's rights hereunder in

respect thereof, whenever requested by any such transferee or assignee, Vendee shall change the name plates on all the Cars to indicate the title of such transferee or assignee to such Cars and its succession to rights of Vendor hereunder, but the expense of making such change in plates shall be borne by the party or parties requesting such change.

11. Vendee shall bear the risk of and shall not be released from its obligations hereunder in the event of any damage to or destruction or loss of any of the said Cars from any cause whatsoever after delivery thereof to Vendee. Vendee further agrees to save, indemnify and keep harmless Vendor from and against all loss, damages, injuries, claims or demands whatsoever, regardless of the cause thereof, in connection with any accident or otherwise arising from or caused by operation or use of said Cars while this contract is in force.

12. All or any of the rights of Vendor under this contract, including the right to receive the payments herein provided to be made by Vendee, may be assigned by Vendor and reassigned by any Assignee at any time and from time to time, provided, however, that no such assignment shall subject any assignee to or relieve American Car and Foundry Company from any of the obligations of American Car and Foundry Company as to the construction or delivery of the Cars or as to any warranty or indemnity with respect thereto contained in Paragraph 4 or 5 hereof.

In event of any such assignment the assignor shall give written notice to Vendee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Vendor's right, title and interest in and to the Cars and each and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by Vendee of the notification of any such assignment, all payments thereafter to be made by Vendee hereunder shall, to the extent so assigned, be made to the assignee.

In the event that this contract is assigned by Vendor as hereinbefore provided, the rights of such assignee to the entire unpaid purchase price or such part thereof as may be assigned, and interest thereon, as well as any other rights as may be so assigned hereunder, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of American Car and Foundry Company in respect of the manufacture or delivery of the Cars or in respect of any warranty or indemnity contained in Paragraph 4 or 5 hereof, and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Vendee by American Car and Foundry Company. Any and all such obligations howsoever arising, shall be and remain enforceable by Vendee against and only against American Car and Foundry Company and shall not be enforceable against any party or parties in whom title to the Cars or any of them, or the rights of Vendor hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

The term Vendor whenever used in this contract means, before any assignment of all or any rights of Vendor hereunder as hereinbefore provided in this Section 12, American Car and Foundry Company, and after any such assignment, the assignee or assignees for the time being of all of the rights hereunder, or in the event of any assignment of any less than all of the rights hereunder, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also the assignor as regards any rights hereunder retained and excluded from such assignment;

and the term "American Car and Foundry Company" whenever used in this contract means, both before and after any such assignment, the party hereto of the first part, and any successor or successors for the time being to its manufacturing property and business.

13. In case the Vendee (a) shall make default in the payment of any installment of the purchase price of the Cars herein provided for and shall remain in default for more than thirty (30) days after such payment shall have become due and payable; or (b) shall make or suffer to be made any unauthorized assignment or transfer of its rights or interest in the Cars or any part thereof, or any unauthorized sublease thereof, or shall cause or permit any of said Cars to be pledged or held for any debt or obligation owing by Vendee, or to be in any manner encumbered or, except as herein authorized, shall part with the possession of said Cars, and in any such event shall fail or refuse either to cause such assignment or transfer or sub-lease to be cancelled effectually as to it and all others having any interest therein or to cause said Cars to be released from such pledge or encumbrance or to recover possession of such Cars within thirty (30) days after Vendor shall have demanded in writing such cancellation or release or the recovery of possession of said cars; or (c) shall fail or refuse for more than ninety (90) days after the Vendor shall have demanded in writing the performance thereof, to comply with any other of the terms and covenants of this agreement to be kept and performed by the Vendee or to make provision satisfactory to Vendor for such compliance; Then, in any such case (in this agreement sometimes called events of default), Vendor at its option may by notice in writing delivered to Vendee declare to be due and payable forthwith the entire unpaid balance of the purchase price of the Cars; and thereupon the entire amount of such unpaid purchase price shall become and shall be due and payable immediately without further demand together with interest thereon at the rate of two per cent (2%) per annum to such date of default, and thereafter interest shall be payable by Vendee upon any portion thereof overdue during such time as it shall remain overdue, at the rate of five per cent (5%) per annum, and Vendor shall thereupon be entitled to recover judgment for the entire amount so payable by Vendee with interest thereon at said rate and to collect such judgment out of any property of Vendee wherever situated. Any and all money so collected by Vendor shall be applied by it as hereinafter in Section 18 of this agreement provided.

14. Vendee covenants that in case of the happening of any such event of default, Vendor by its agents may also enter upon the railroads and premises of Vendee, and of any corporation a majority of whose capital stock is owned directly or indirectly by Vendee, and take possession of all or any part of the Cars and withdraw the same from said railroads and premises, retaining all payments which up to that time may have been made hereunder for the Cars and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Cars or any part thereof, and may lease the Cars or any part thereof or, with or without retaking possession thereof (but only after making the declaration hereinabove provided for), may sell the same or any part thereof, so far as may be necessary to realize the balance remaining to be paid by Vendee under this Agreement, free from any and all claims of Vendee at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale, for cash or upon credit, in its discretion, and may otherwise proceed to enforce its rights in the manner provided by this Agreement.

15. In case Vendor shall rightfully demand possession of the Cars in pursuance of this Agreement and shall reasonably designate a point or points upon the railroad of Vendee, or upon the railroad of any corporation a majority of whose capital stock is at

the time directly or indirectly owned by Vendee, for the delivery of the Cars to it, Vendee shall, at its own expense, forthwith and in the usual manner, cause the Cars to be moved to such point or points on said railroads as shall be designated by Vendor and shall there deliver the same or cause them to be delivered to Vendor; or, at the option of Vendor, Vendor may keep the Cars on any of the lines of railroad or premises of Vendee until Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose Vendee agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to Vendee. It is hereby expressly covenanted and agreed that the covenants in this section 15 contained are of the essence of the contract and that, upon application to any court having jurisdiction in the premises, Vendor shall be entitled to a decree against Vendee requiring the specific performance thereof.

16. Any such sale or sales may be held or conducted at such place or places and at such time or times as Vendor may specify, or as may be required by law, and without gathering at the place of sale the Cars to be sold, and in general in such manner as Vendor may determine, but so that Vendee may and shall have a reasonable opportunity to bid at such sale.

17. Upon such taking possession or lease or sale of the Cars, Vendee shall cease to have any rights or remedies in respect of the Cars under this agreement, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by Vendee, and no payments theretofore made by Vendee for the Cars or any of them shall, in case of the happening of any such event of default and such taking possession, lease or sale by Vendor give to Vendee any legal or equitable interest or title in or to the Cars or any of them or any cause or right of action at law or in equity in respect to the Cars against Vendor. No such taking possession or lease or sale of the Cars by Vendor shall be a bar to the recovery by Vendor from Vendee of any unpaid balance of the purchase price of the Cars, and Vendee shall be and remain liable for the same, until such sums shall have been realized as with the proceeds of the lease or sale of Cars shall be sufficient for the discharge and payment in full of all sums payable by Vendee under any of the provisions of this agreement.

18. If in case of the happening of any such event of default, Vendor shall exercise any of the powers conferred upon it by this agreement, all payments made by Vendee to Vendor under this agreement after such event of default, and the proceeds of any judgment collected by Vendor from Vendee hereunder, and the proceeds of every lease or sale by Vendor hereunder of any of the Cars, together with any other sums which may then be held by Vendor under any of the provisions of this agreement, shall be applied by Vendor in the order of priority following, viz.: (a) to the payment of all proper expenses incurred or advances made by Vendor in accordance with the provisions of this agreement, including the expense of any retaking of the whole or any part of the Cars and all expenses of the custody and of any lease or sale thereof, and (b) to the payment of all sums of money due and payable to Vendor under the provisions of this agreement, including any taxes, assessments, or governmental charges paid by or imposed upon Vendor in respect of the Cars. After all such payment shall have been made in full, the title to any of the Cars remaining unsold shall be conveyed by the Vendor to Vendee, free from any further liabilities or obligations to Vendor hereunder. If, after applying all of such sums of money realized by Vendor as aforesaid, there shall remain any amount due to Vendor under the provisions of this agreement, Vendee agrees to pay the amount of such deficit to Vendor. If, after applying as aforesaid the sums of money realized by

Vendor, there shall remain a surplus in the possession of Vendor, such surplus shall be paid to Vendee.

19. The remedies in this agreement provided in favor of Vendor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity.

20. The foregoing provisions, however, are subject to the condition that if at any time after unpaid balance of the purchase price shall have been declared due and payable, as provided in this agreement, all arrears of installment payments with interest as hereinabove provided and the expenses of Vendor and all other sums which shall have become due and payable by Vendee under this agreement (other than the unpaid installments which shall not at the time have matured according to their terms) shall be paid by Vendee before any lease or sale by Vendor of any of the Cars, and every other default in the observance or performance of any covenant or condition of this agreement shall be made good or secured to satisfaction of Vendor, or provision deemed by Vendor to be adequate shall be made therefor, then and in every such case Vendor shall waive the default by reason of which the unpaid balance of the purchase price of the Cars shall have been declared and become due and payable and shall waive the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

21. Neither such retaking possession nor any lease or sale of the Cars by Vendor nor any action or failure or omission to act, against Vendee or in respect to Cars, on the part of Vendor, nor any delay or indulgence granted to Vendee by Vendor, shall affect the obligations of Vendee under this agreement.

22. Wherever provision is made in this contract for any notice or demand to or upon Vendee, or if at any time, Vendor shall desire to give notice to or make any demand upon vendee, the same may be given or made by depositing a written statement thereof, enclosed in a postpaid envelope in any United States Post Office, directed to Vendee respectively at its office or place of business in the City of St. Paul, Minnesota, and an affidavit by any person so depositing such notice in respect of such mailing shall be deemed to be and shall be conclusive evidence of the giving and receipt of such notice and of the making of such demand.

23. Any provision of this contract prohibited by any applicable law of any state, or which by any applicable law of any state would convert this contract into any instrument other than a contract of conditional sale, shall as to such state be ineffective, without modifying as to such state the remaining provisions of this contract. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by Vendee to the full extent permitted by law.

24. Any extension of time granted by Vendor to Vendee for the payment of any sum due under this contract, shall not be deemed a waiver of the title of Vendor reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

25. Vendee shall cause this contract to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for Vendor, of Vendor's title to the Cars and any replacement or replacements thereof, and of its rights under this contract; and Vendee shall from time to time do and perform any other act, and will execute, acknowledge, deliver, file, register and record any and all further instruments, required by law or reasonably requested by Vendor for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this contract. Vendee shall pay also all cost, charges and expenses incident to the printing, filing,

registering and recording of this contract and of any instrument supplemental hereto or amendatory hereof above referred to, excepting only assignments or instruments of transfer between Vendor and its assignee or assignees.

26. This contract may be simultaneously executed in one or more counterparts, each of which so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

27. This contract of conditional sale constitutes the entire contract between Vendee and Vendor with respect to the construction, delivery and sale of the 1000 Box Cars, 300 Hopper Cars and 200 Ballast Cars herein referred to. No variation or modification of this contract and no waiver of any of its provisions shall be valid unless in writing.

28. So long as Vendee shall not be in default under this contract it shall be entitled to the possession of the Cars and shall have the full right of use thereof upon the lines of railroad owned, leased or operated by it, or over which it has trackage rights, and upon connecting and other railroads and in the usual interchange of freight cars, but subject at all times to all terms and conditions of this contract.

29. The terms of this contract and all rights and obligations hereunder shall be governed by the law of the State of Illinois.

IN WITNESS WHEREOF, Vendor and Vendee, respectively, each pursuant to due corporate authority, have caused these presents to be signed by their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, as of the day and year first above written.

AMERICAN CAR AND FOUNDRY COMPANY,

(SEAL)

By W. E. Hedgcock
Vice President.

Attest:

H. C. Wick
Secretary

Signed, sealed and delivered in the presence of:

D. L. Richeson

C. A. Bie

NORTHERN PACIFIC RAILWAY COMPANY,

By B. W. Scandrett
Vice President.

(SEAL)

Attest:

A. M. Gottschald
Secretary

Signed, sealed and delivered in the presence of:

J. Beardsley

Selma Oestreich

STATE OF MINNESOTA)
COUNTY OF RAMSEY) SS.

I, G. T. C. Peterson, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on this 28th day of February, 1941, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, B. W. SCANDRETT and A. M. GOTTSCHALD, each to me personally known and known to me to be respectively a Vice-President and the Secretary of NORTHERN PACIFIC RAILWAY COMPANY, one of the corporations described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary respectively in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said B. W. Scandrett and A. M. Gottschald being by me severally duly sworn, did on oath , each for himself and not one for the other, severally depose and say and acknowledge in the presence of said witnesses that the said B. W. Scandrett resides in the City of St. Paul, in the State of Minnesota, and and that said A. M. Gottschald resides in the City of St. Paul in the State of

Minnesota; that said B. W. Scandrett is Vice-President and said A. M. Gottschald is Secretary of NORTHERN PACIFIC RAILWAY COMPANY, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said B.W. Scandrett and A. M. Gottschald know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto and that said instrument was signed and sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority, and were authorized to execute said instrument; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and they severally duly acknowledged to me said instrument to be the free act and deed of said corporation and that such corporation executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public, in the said County of Ramsey, State of Minnesota, this the day and year in this my certificate first above written.

G. T. C. Peterson

G. T. C. Peterson,
Notary Public, Ramsey Co., Minn.
My Commission Expires Oct. 21, 1942.

(Notarial Seal)

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.

I. H. NORMAN SPYR, a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, DO HEREBY CERTIFY that on this 6th day of March, 1941, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, W. E. Hedgcock and H. C. Wick, each to me personally known and known to me to be respectively a Vice-President and the Secretary of AMERICAN CAR AND FOUNDRY COMPANY, one of the corporations described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary respectively in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said W. E. Hedgcock and H. C. Wick being by me severally duly sworn, did on oath, each for himself and not one for the other, severally depose and say and acknowledge in the presence of said witnesses that the said W. E. Hedgcock resides in the City of New York in the State of New York, and that the said H. C. Wick resides in the City of Westfield in the State of New Jersey; that said W. E. Hedgcock is a Vice-President and said H. C. Wick is the Secretary of American Car and Foundry Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said W. E. Hedgcock and H. C. Wick, know the corporate seal of said corporation; that the seal affixed to said instrument as the seal of said corporation is such corporate seal; that it was so affixed thereto and that said instrument was signed and sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority, and were authorized to execute said instrument; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth; and they severally duly acknowledged to me said instrument to be the free act and deed of said corporation and that such corporation executed the same.

IN TESTIMONY WHEREOF,I have hereunto set my hand, subscribed my name and affixed my official seal as such Notary Public, in the said County of New York, State of New York, this the day and year in this my certificate first above written.

H. Norman Spyr
Notary Public.

(SEAL)

H. Norman Spyr
NOTARY PUBLIC, Queens County Queens Co. Clk's No.2079,
Reg. No. 333 N.Y. Co.Clk's No.22,Reg.No.2-S-44
Commission Expires Mar. 30, 1942

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 14th day of March A.D. 1941 at 9 o'clock A.M. and recorded in Vol. 33 of Railroad Mortgages on pages 624 to 635 both incl.

Lisle W. Schroeder
Assistant Secretary of State

Index
R01

SUPPLEMENTAL LEASE OF RAILROAD EQUIPMENT
TO ILLINOIS CENTRAL EQUIPMENT TRUST, SERIES Q
between

THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES

and

ILLINOIS CENTRAL RAILROAD COMPANY

DATED OCTOBER 1, 1940

SUPPLEMENTAL LEASE OF RAILROAD EQUIPMENT, dated as of the 1st day of October, 1940, between THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, of Philadelphia, Pennsylvania, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, Trustee as hereinafter mentioned (hereinafter sometimes called the Trustee), a party of the first part, and ILLINOIS CENTRAL RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter sometimes called the Company), a party of the second part:

WHEREAS, by a certain agreement dated April 13, 1934, between HARRY E. RIGHTER and GEORGE SMITH, Vendors, THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, as Trustee, and ILLINOIS CENTRAL RAILROAD COMPANY (hereinafter called the Original Agreement), which has since been amended by Agreements dated December 28, 1934, and November 25, 1935, there was constituted Illinois Central Railroad Equipment Trust Series Q, and pursuant thereto certain railroad equipment was leased by the Trustee to the Company under Lease of Railroad Equipment dated April 13, 1934, (hereinafter sometimes called the Original Lease), which was amended by Supplemental Leases dated December 28, 1934 and November 25, 1935; and

WHEREAS, in addition to the railroad equipment covered by the Original Lease, the Company pursuant to Section 2 of Article 1 of the Original Agreement, assigned, set over, transferred and granted to the Trustee its right to receive upon the expiration of certain existing equipment trusts, (among others the Illinois Central Equipment Trust Series L, the title to the equipment subject thereto, or units of equipment substituted therefor and made subject thereto; and

WHEREAS, the Company has certified to The Pennsylvania Company for Insurances on Lives and Granting Annuities, Successor Trustee to Bank of North America and Trust Company of Illinois Central Equipment Trust Series L, that the equipment listed in Exhibit A hereto attached, was all of the equipment subject to Illinois Central Equipment Trust Series L upon October 1, 1940, the date upon which all the Trust Certificates then outstanding thereunder finally matured, and pursuant to the direction of the Company, The Pennsylvania Company for Insurances on Lives and Granting Annuities, Successor Trustee to Bank of North America and Trust Company of Illinois Central Equipment Trust Series L, has conveyed said equipment to The Pennsylvania Company for Insurances on Lives and Granting Annuities, as Trustee of Illinois Central Railroad Equipment Trust Series Q; and

WHEREAS, pursuant to said Section 2 of Article 1 of the Original Agreement, and Article Third (c) of said Lease of Railroad Equipment dated April 13, 1934, the Company has agreed to execute such instruments of further assurance in respect of said equipment as the Trustee might reasonably require, and has agreed to execute a Supplemental Lease subject to the terms and conditions of the Original Lease.

NOW, THEREFORE, this Agreement Witnesseth:

That the Trustee acting in pursuance of the Original Agreement, for and in consideration as well for the sum of One Dollar to it paid by the Company at or before the ensealing and delivery hereof, receipt of which is hereby acknowledged, as of the rents and covenants hereinafter mentioned to be paid, kept and performed by the Company

hereunder and under the Original Lease as amended, has let and leased to the Company all of the equipment listed in Exhibit A, which is hereto attached and made part hereof.

It is agreed that all of said equipment, upon the transfer thereof by The Pennsylvania Company for Insurances on Lives and Granting Annuities, Successor Trustee to Bank of North America and Trust Company of Illinois Central Equipment Trust Series L, to The Pennsylvania Company for Insurances on Lives and Granting Annuities, as Trustee of Illinois Central Railroad Equipment Trust Series Q, became ipso facto and without further delivery, deed, lease or transfer, subject to all the terms and provisions of the Original Lease as amended, and became a portion of the trust equipment leased by The Pennsylvania Company for Insurances on Lives and Granting Annuities as Trustee of Illinois Central Railroad Equipment Trust Series Q to the Company under the Original Lease as amended.

The Company shall as promptly as possible plainly, distinctly, permanently and conspicuously mark on each side of each unit thereof the following words in letters not less than one-half inch in height:

"Illinois Central Railroad Equipment Trust, Series Q, The
Pennsylvania Company for Insurances on Lives and Granting Annuities,
Trustee, Owner and Lessor."

Such marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of the Trust Equipment. In case, during the continuance of this Lease, any of such marks shall at any time be removed, defaced or destroyed, the Company will immediately cause the same to be restored or replaced. The Company will not change, or permit to be changed, the numbers upon any of the Trust Equipment (nor any numbers which may be substituted as in the Original Lease provided), except in accordance with a statement of the new numbers to be substituted therefor, which previously shall have been filed with the Trustee by the Company.

And the Company, in consideration of the premises, by these presents covenants and agrees with the Trustee as follows:

I.

The Company hereby accepts (subject to the conditions mentioned in the Original Lease) the lease of the above described trust equipment, and hereby covenants and agrees to accept the said trust equipment as Lessee under the Original Lease as provided therein upon and subject to all the terms and conditions thereof.

II.

This Supplemental Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their names by their respective Presidents or Vice Presidents, and sealed with their corporate seals, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

THE PENNSYLVANIA COMPANY FOR INSURANCES
ON LIVES AND GRANTING ANNUITIES,

By L. J. Clark
Vice President.

(SEAL)

ATTEST:

H. E. Righter
Secretary.

Signed, sealed, acknowledged and delivered by
THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES
AND GRANTING ANNUITIES in the presence of:

J. Wallace Hensler

F. H. Hepperlen

ILLINOIS CENTRAL RAILROAD COMPANY

By A. C. Mann
Vice President

(SEAL)

ATTEST:

R. E. Connolly
Secretary.

Signed, sealed, acknowledged and delivered by
ILLINOIS CENTRAL RAILROAD COMPANY in the presence of:

J. T. Snave

A. V. Cocayne

COMMONWEALTH OF PENNSYLVANIA)
CITY AND COUNTY OF PHILADELPHIA) SS

I, J. Wallace Hensler, a Notary Public duly commissioned, qualified and acting within and for the City and County of Philadelphia in the Commonwealth of Pennsylvania, do hereby certify that on January 30, 1941, before me the subscriber, a Notary Public as aforesaid, personally appeared L. J. Clark, Vice President of THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, of Philadelphia, Pennsylvania, one of the corporations which executed the foregoing instrument in writing, bearing date as of October 1, 1940, whose name is signed thereto, and the said L. J. Clark, to me personally known, being by me duly sworn or affirmed, did depose and say that he resides in Philadelphia, in the State of Pennsylvania; that he is the Vice President of the said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, of Philadelphia, Pennsylvania, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of the said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of the said THE PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, of Philadelphia, Pennsylvania, and that he desired the same to be recorded as such.

County of Philadelphia

Sworn or affirmed before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

I am not a stockholder, director or officer of said Trust Company.

J. Wallace Hensler
Notary Public

(SEAL)

NOTARY PUBLIC
My Commission Expires Mar. 6, 1943

My commission expires

I am not a Stockholder, Director or Officer of within mentioned Corporation.

STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, Olive O'Reilly, a Notary Public duly commissioned, qualified and acting within and for the State and County aforesaid, do hereby certify that on December 2, 1940, before me the subscriber, a Notary Public as aforesaid, personally appeared A. C. Mann, Vice President of ILLINOIS CENTRAL RAILROAD COMPANY, one of the corporations which executed the foregoing instrument in writing, bearing date as of October 1, 1940, whose name is subscribed thereto, and the said A. C. Mann, to me personally known, being by me duly sworn, did depose and say that he resides in the County of Cook, in the State of Illinois; that he is Vice President of said ILLINOIS CENTRAL RAILROAD COMPANY, one of the corporations described in the said foregoing instrument, authorized by the said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the contents of the said instrument; that one of the seals affixed to the said instrument is the corporate seal of the said corporation; that the said instrument was signed, sealed and delivered by him as Vice President in behalf of the said corporation by its authority, duly given, and by authority of its board of directors; and that he acknowledged the said foregoing instrument to be the free and voluntary act and deed of said ILLINOIS CENTRAL RAILROAD COMPANY: and that he desired the same to be recorded as such.

Sworn before me, and my hand and notarial seal hereto affixed in witness whereof the day and year aforesaid.

Olive O'Reilly
Notary Public

(SEAL)

My Commission expires: July 3, 1941.

Exhibit "A"

EQUIPMENT TRANSFERRED FROM ILLINOIS CENTRAL EQUIPMENT TRUST SERIES "L" TO ILLINOIS CENTRAL RAILROAD EQUIPMENT TRUST SERIES "Q"

Class	Series	Number of Units
Pulpwood	64258	1
"	64280	1
Coal	64500	1
"	64504	1
"	64506	1
"	64509	1
"	64516	1
"	64518-64519	2
"	64526	1
"	64533	1
"	64538	1
"	64542	1
"	64547-64548	2
"	64550-64551	2
"	64571	1
"	64574	1
Total		19
Flat Cars	70001-70009	9
"	70011-70012	2
"	70014-70025	12
"	70027-70028	2
"	70030	1
"	70032	1
"	70034-70035	2
"	70037-70047	11
"	70050-70069	20
"	70071-70076	6
"	70078	1
"	70080-70088	9
"	70090-70095	6
"	70097-70098	2
"	70100-70105	6
"	70107	1
"	70110-70112	3
"	70114	1
"	70116-70120	5
"	70124-70126	3
"	70128	1
"	70130	1
"	70132-70142	11
"	70144-70145	2
"	70148-70163	16
"	70165-70167	3
"	70169-70177	9
"	70179-70181	3
"	70184-70196	13
"	70198-70200	3
Total		165
Box Cars	155501-155575	75
"	155577-155723	147
"	155725-155799	75
"	155801-155860	60
"	155862-155885	24
"	155887-155893	7
"	155895-155981	87
"	155983-155988	6
"	155990-156000	11
Total		492
Box Cars	156001-156090	90
"	156092-156103	12
"	156105-156207	103
"	156209-156245	37
"	156247-156260	14
"	156262-156419	158
"	156421-156484	64
"	156486-156500	15
Total		493
Stock Cars	31001-31046	46
"	31048-31092	45
"	31094-31165	72
"	31167-31169	3
"	31171-31200	30
Total		196
Steel Suburban Motor Cars	1100-1229	130
Steel Suburban Trailer Cars	1346-1430	85

Summary

Flat Cars	184
Box Cars	985
Stock Cars	196
Passenger Cars	215
Total	1 580

STATE OF WISCONSIN)
) ss
DEPARTMENT OF STATE)

RECEIVED this 27th day of March A. D. 1941 at 9 o'clock A. M. and recorded in Vol. 33 of Railroad Mortgages on pages 636-640 both incl.

Lisle W. Schroeder
Assistant Secretary of State

STATEMENT OF COMPLIANCE
FORM CPR 11

State of Wisconsin
PUBLIC RECORDS BOARD

AGENCY: Secretary of State

DATE: 1984

DIVISION:

REEL NUMBER: 33

RECORD SERIES: Railroad Mortgages

DISPOSAL AUTHORIZATION NUMBER:

I certify that the film listed above complies with the minimum standards of quality for permanent photographic records, as established by the Public Records Board and that the film was processed and developed in accordance with minimum standards established by the Board.

FILM DEVELOPER AND PROCESSOR

I certify pursuant to Section 16.61 (7) Wisconsin Statutes, that this records series has been photographed on the reels of film listed above.

Douglas LaFollette

HEAD OF AGENCY OR DESIGNATED REPRESENTATIVE

Form CPR 10

State of Wisconsin
PUBLIC RECORDS BOARD

CAMERA OPERATOR'S CERTIFICATE

REEL NUMBER: 33

REDUCTION RATIO: 20:1

DISPOSAL AUTHORIZATION NUMBER: 4/4:53

CAMERA (TYPE): Recordak

(MODEL): MRC-4

(SERIAL NUMBER): 342

TITLE OF RECORD SERIES: Railroad Mortgages

AGENCY: Sec. of State

I certify that I have on this day of 9 11, 19 84, photographed the above described documents in accordance with the standards and procedures established by Section 16.61 of the Wisconsin Statutes.

ROLL BEGINS WITH: Vol. 33

ROLL ENDS WITH: Vol. 33

CAMERA OPERATOR: C. N.