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CONDITIONAL SALE AGREEMENT

DATED AS OF SEPTEMBER 1, 1940

Between

THE BALDWIN LOCOMOTIVE WORKS

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 September 1, 1940, by and between THE BALDWIN LOCOMOTIVE WORKS, a corporation organized and existing under the laws of the State of Pennsylvania, with its principal office and place of business in the Borough of Eddystone, Pennsylvania (hereinafter sometimes called the "Seller"), 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, not individually but solely as such Trustees, as parties of the second part (hereinafter sometimes referred to as the "Buyers");

WITNESSETH THAT:

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

(1) Construction, Sale and Delivery. The Seller hereby agrees to construct, in accordance with the specifications and proposal hereinafter referred to, sell and deliver to the Buyers, and the Buyers hereby agree to buy from the Seller and to accept delivery as hereinafter provided, and to pay therefor as hereinafter set forth, the following described railroad equipment (hereinafter sometimes referred to as "Equipment");

Two new, 120-ton, 1000-horsepower Diesel switching locomotives, bearing Seller's Nos. 62406 and 62407, and Buyers' Nos. 1680 and 1681, as described and warranted by Seller's specifications No. 40-DE-4 and Seller's proposals dated July 27, 1940 and August 5 and 6, 1940, copy of which specifications and proposals have been furnished to the Buyers and reference to which is hereby expressly made.

The price of each of said two 1,000-horsepower Diesel switching locomotives shall be the principal amount of $82,525.00 f.o.b. Buyers' Station, Milwaukee, Wisconsin. Interest shall be paid at the rate of 2% per annum upon unpaid balances of said principal amount and such interest shall be computed in the case of each locomotive from the date of its acceptance at Milwaukee, Wisconsin, by the Buyers. After receipt and inspection of each locomotive by the Buyers or their agents, the Buyers' Superintendent of Motive Power or his duly authorized representative, shall, if said locomotive meets said specifications, execute a certificate of acceptance. The execution of such certificate of acceptance shall be conclusive evidence the locomotive covered conforms with specifications and is acceptable to the Buyers in all details.

The Seller shall deliver said locomotives, freight charges prepaid, to the Buyers at the Buyers' station in Milwaukee, Wisconsin, from time to time, and whenever any of said locomotives are completed and ready for shipment. The Seller agrees to assume the expense, responsibility and risk of loss in and of the removal of the said locomotives from the Seller's plant at Eddystone, Pennsylvania, to the place of delivery to the Buyers.

(2) Amount and Payment of Purchase Price. Conditional only upon the receipt and acceptance of said Equipment, which may be conclusively presumed from the execution of the certificate of acceptance above referred to, the Buyers hereby promise to pay to the Seller, or the assignee thereof, at the office of Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as the purchase price of said equipment, the following amounts:

(a) On the first day of the calendar month succeeding that in which the acceptance of each of the locomotives has been completed, interest on the principal purchase price of each such locomotive from the date of its acceptance by the Buyers, and on the first day of each calendar month thereafter prior to the date specified in subparagraph (b) hereof, interest on the principal purchase price of each such locomotive from the first day of such previous calendar month.

(b) Commencing on the first day of the second calendar month succeeding that in which the last locomotive is accepted and continuing for a total of 96 consecutive monthly payments, the amount of $1,861.91 per month. Each of said 96 monthly payments includes both principal and interest at the rate of 2% per annum and shall be applicable first to the interest then due and balance to principal.

The Buyers further covenant and agree to pay interest at the rate of 6% per annum upon all such amounts, principal and interest, after the same become due and payable pursuant to the terms and provisions hereof.

All payments provided for in this Agreement shall be made by the Buyers 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.

The Buyers shall have the privilege of prepaying at any time, without the payment of any premium, any sum of the principal in an amount of $25,000.00 or any multiple thereof, together with interest accumulated to the date of such payment on such sum so prepaid. All such principal sums so prepaid shall be applied toward the payment of the last maturing principal installment or installments due hereunder.

(3) Title to the Equipment. The Seller shall, and hereby does, retain the full legal title to and property in, any and all of said Equipment until the Buyers shall have made all of the payments, and shall have kept and performed all of the covenants, in this Agreement provided to be made, kept or performed by the Buyers, notwithstanding the delivery of the Equipment to, and the possession and use thereof by, the Buyers as herein provided.

The Buyers covenant and agree that they will cause each unit of the Equipment to be kept numbered with the proper road number and to be kept plainly marked, on metal plates upon both sides of each unit of the Equipment covered by this Agreement, with the name of the Seller or of the Seller's assignee, as the case may be, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyers agree that they will not accept delivery of, or place said Equipment in operation or exercise any control or dominion over any part thereof until said metal plates so marked have been attached on both sides of each unit of said Equipment.

The Buyers shall replace the Equipment or any of it or any parts, at their own cost, if it or any of it or any parts shall be lost or destroyed from any cause whatever during the continuance of this Agreement, with other Equipment of similar type and of substantially as good material and construction as that lost or destroyed. The Buyers will cause any such new Equipment to be marked as above provided and to be numbered with the same road number as the Equipment so replaced. Any and all such replacements of Equipment or any of it and of any parts shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement, as though part of the original Equipment delivered hereunder, and included in the word "Equipment" as used in this Agreement. Title to all such new Equipment shall be taken initially, and shall remain, in the name of the Seller (or if this Agreement shall have been assigned, in the name or names of the assignee or assignees, as the case may be) subject to the provisions hereof.

Except as above provided, the Buyers will not allow the name of any person, association or corporation to be placed on the Equipment or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof; provided, however, that the Buyers may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Buyers' interest therein.

When and only when the Seller has been paid the full purchase price for the Equipment, together with interest and any and all other payments as herein provided, and all of the Buyers' covenants and conditions herein contained have been performed by the Buyers, title to and property in all of the Equipment shall pass to and vest in the Buyers without further transfer or act on the part of the Seller, except that the Seller shall, if requested by the Buyers so to do, execute and deliver to the Buyers a bill or bills of sale of all of said Equipment, transferring the title to and property in said Equipment to the Buyers free and clear of all liens and encumbrances created or retained hereby, and shall execute for record or for filing in public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyers to said Equipment.

(4) Taxes. All payments to be made by the Buyers hereunder shall be free of expenses to the Seller for collection or other charges, and of the amount of any State, Federal or Municipal taxes (other than State, Federal and Municipal income taxes) hereafter levied or imposed directly upon this Agreement and/or any sale, payment, shipment or delivery under the terms hereof, all of which expenses and taxes the Buyers assume and agree to pay in addition to the above mentioned purchase price of said Equipment. The Buyers shall also pay promptly all taxes and assessments which may be imposed upon the Equipment or the earnings arising therefrom or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the Equipment is operated by the Buyers, and agree to keep at all times all and every part of the Equipment free and clear of all taxes, assessments, liens and encumbrances.

(5) Compliance with Laws, Rules and Regulations. The Buyers covenant that the Equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the Equipment may be subject. The Buyers further covenant that they will comply in all respects with all acts of Congress and with the laws of the United States and of the States and Territories into which their operations involving the Equipment may extend during the term of this Agreement, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the Equipment, and in the event that said laws or rules require the alteration

of any of the Equipment, the Buyers agree to conform therewith, at their expense, and to maintain the same in proper condition for operation under such laws and rules during the life of this Agreement; provided, however, that the Buyers may in good faith contest, in any reasonable manner, the application of any such law or rule which does not, in the judgment of Seller, affect the Seller's title in and to the Equipment.

(6) Servicing, Replacements and Maintenance. Seller will send a competent person with each of the locomotives to the point of delivery and, if requested by the Buyers, to such further point at which such locomotive is to be placed in service to superintend the placing of the same in working condition. Buyers shall provide each such person, without expense to Seller, with all the necessary labor, materials, locomotive supplies and transportation on lines owned or controlled by Buyers.

The Buyers covenant and agree that they will at all times after the delivery of such equipment, maintain and keep said Equipment in good order and repair, at their expense, and shall bear the risk, and shall not be released from their obligations hereunder in case of any and all damage, loss or destruction of said Equipment from whatever cause arising.

The Baldwin Locomotive Works shall furnish and install at its expense, at its works, or deliver to Buyers at The Baldwin Locomotive Works, a new part or parts to replace any part or parts which in the locomotives may fail under normal service within one year after shipment from The Baldwin Locomotive Works, by reason of faulty work performed or defective material furnished by The Baldwin Locomotive Works; provided that Buyers notify The Baldwin Locomotive Works of the fault when it is first discovered and The Baldwin Locomotive Works is accorded an opportunity to verify the same. The Baldwin Locomotive Works shall not be liable for any fault or defect in the locomotives, except as in this paragraph provided; and does not guarantee appliances, devices or materials, specified or required by the Buyers, and not manufactured by The Baldwin Locomotive Works.

(7) Reports and Inspection. The Buyers hereby agree to furnish to the Seller, if requested, once in every year as long as this Agreement shall be in force, an accurate inventory of the equipment in actual service, the numbers and the description of such Equipment as may have been destroyed and replaced by other, and the then location of said Equipment. In additon thereto, the Buyers agree to furnish to the Seller, if requested, once in each year, as long as this agreement shall remain in force, a report of inspection by the Buyers' Superintendent of Motive Power, or, if the Seller shall so request, by a competent disinterested party, satisfactory to the Seller, certifying that said equipment has been maintained, and is, in good order and repair.

The Buyers shall promptly and fully inform the Seller of any loss or destruction of any of the Equipment and of any substantial repairs made or being made upon it or any of it. If requested by the Seller, the Buyers shall furnish to the Seller a report of the Buyers' Superintendent of Motive Power, or, if the Seller shall so request, a competent disinterested party, satisfactory to the Seller, covering the nature and extent of any damage to the equipment, and the satisfactory repair thereof.

The Seller shall have the right, but shall be under no obligation, to inspect the Equipment at any reasonable time or times during the continuance of this Agreement. The Buyers agree, in so far as they may legally do so, to supply free transportation over their lines to designated agents of the Seller for the purpose of enabling such agents to reach the point or points where the Equipment is in operation, for the purpose of making such inspection or of assisting and instructing the employees of the Buyers in the proper operation and maintenance of their Equipment.

(8) Use and Location. The Buyers agree that after the delivery of the equipment and at all times during the continuance of this Agreement, said Equipment will be kept, maintained and used solely by the Buyers upon the lines of railroad owned and operated by them in the States of Illinois, Indiana, Iowa, Wisconsin, Minnesota, South Dakota, North Dakota, Montana, Idaho and Washington; provided, however, that upon giving the Seller fifteen (15) days' notice in writing, stating where the equipment is to be transferred and the route to be followed in the transfer, the Buyers may remove said equipment to another state or states.

(9) Prohibition against Liens. The Buyers hereby agree to pay or satisfy and discharge any and all sums claimed by any party by, through or under the Buyers and their successors or substitutes or assigns which, if unpaid, might become a lien or a charge upon the Equipment or any part of it, superior to the title of the Seller therein, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

(10) Indemnities and Guaranties. The Buyers hereby agree to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment or the use or operation thereof. Said covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the Equipment, as provided in paragraph 3 hereof.

The Buyers will bear the risk, and shall not be released from their obligations hereunder in the event of any damage to, or the destruction or loss of, any or all of the Equipment; provided, however, that The Baldwin Locomotive Works and any successor or successors to its manufacturing property and business shall not, as to any of the Equipment, be relieved from it guaranty covering material and workmanship set forth in the specifications hereinbefore referred to. The Baldwin Locomotive Works, for itself and any successor or successors to its manufacturing property and business, also agrees to save, indemnify and keep harmless the Buyers from and against any and all royalties, damages, claims, suits, judgments and costs that may arise in the use of any patented article on the equipment at the time of delivery, except with regard to any appliances, devices or materials specified or required by the Buyers and not manufactured by the Seller.

(11) Assignments by the Seller. All or any of the rights of the Seller under this Agreement, including the right to receive the payments herein provided to be made by the Buyers, may be assigned by the Seller 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 The Baldwin Locomotive Works or the successor or successors to its manufacturing property and business from, any of the obligations of The Baldwin Locomotive Works as to the construction, delivery, guaranty, warranty or indemnity, or any other duty, obligation or liability, if any, except the duty to execute necessary and proper instruments of transfer, as and when the Buyers shall be entitled thereto, pursuant to the provisions of Paragraph 3 hereof.

Upon any such assignment the assignor shall give written notice to the Buyers, 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 Seller's right, title and interest in and to the Equipment and each

and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Buyers of the notification of any such assignment, all payments thereafter to be made by the Buyers hereunder shall, to the extent so assigned, be made to the assignee.

In the event that this Agreement is assigned by the Seller as hereinbefore provided, the rights of such assignee to the entire unpaid purchase price, or such part thereof as may be assigned together with interest thereon as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of The Baldwin Locomotive Works or the successors to its manufacturing business in respect of the Equipment or the manufacture, delivery, guaranty or warranty thereof, or in respect of any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyers by The Baldwin Locomotive Works or the successors to its manufacturing business. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Buyers against and only against The Baldwin Locomotive Works and the successor or successors to its manufacturing property and business, and shall not be enforceable against any party or parties in whom title to the Equipment or any of it, or the rights of the Seller hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments, or transfers.

In the event of any such sale, transfer or assignment, or successive sales, transfers or assignments by the Seller, of title to any of the Equipment and of the Seller's rights hereunder in respect thereof, the Buyers shall, whenever requested by such vendee, transferee or assignee, change the name plates to be attached on both sides of each unit of the Equipment so as to indicate the title of such vendee, transferee or assignee to such equipment and its succession to the rights of the Seller hereunder, such plates to bear such words or legend as shall be specified by said vendee, transferee or assignee. The cost of obtaining and attaching the first series of such substituted plates shall be borne by the Seller. The cost of obtaining and attaching plates in connection with any subsequent assignment shall be borne by such subsequent vendee, transferee or assignee.

The term "Seller" whenever used in this Agreement means, before any assignment of all or any rights of the Seller hereunder as hereinbefore provided in this paragraph II., The Baldwin Locomotive Works, and after any such assignment, the assignee or assignees for the time being of all of the rights hereunder.

12. Successors to and Assignments by the Buyers. The Buyers hereby represent and warrant that their execution of this Agreement and their assumption and undertaking of the obligations, duties and liabilities hereof, have been expressly authorized by an order of the District Court of the United States for the Northern District of Illinois, Eastern Division, entered September 3, 1940, in a certain proceeding therein pending entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor"— In Proceedings for the Reorganization of a Railroad, Docket No. 60463. Said order further provides that as a condition to the termination of the trusteeship of said Railroad, whether pursuant to a plan of reorganization or otherwise, all the obligations then existing or to accrue of the Buyers under this Agreement, shall be assumed as a general obligation by said Railroad or by any other corporation or any receiver or receivers in equity that shall succeed to the Buyers in the possession of not less than 75% of the owned lines of railroad comprising the Buyers' estate. Said order further provides that in case of any sale or conveyance of not less than 75% 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 or to disaffirm the same (but if acquiring not less than 75% 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, provided such transferee corporation shall assume, as a general obligation, all of the obligations of the Buyers under this Agreement). Said order further provides that in case any corporation, or any receiver or receivers in equity, shall so succeed the Buyers in the possession of not less than 75% of all of said owned lines of railroad, and shall assume, as a general obligation, all the obligations of the Buyers then existing and to accrue under this Agreement, the Buyers shall thereupon be relieved from any further liability under or in respect of this Agreement. Said order further provides that in the event that upon the confirmation of a plan of reorganization, or upon the dismissal or termination of said proceeding, neither the Debtor nor any other corporation, or receiver or receivers in equity, shall alone succeed to the possession of 75% of all of said owned lines of railroad, then all of the unpaid installments of the purchase price hereunder, together with accrued interest thereon, and all of the other obligations and liabilities of the Buyers hereunder, shall become immediately due and payable on the date of such confirmation, dismissal or termination, and that the Court will make such provision for the payment thereof as will be equitable.

The Buyers covenant and agree that they will not sell, assign, transfer or otherwise dispose of their rights under this Agreement, nor transfer possession of said Equipment to any other firm, person or corporation without first obtaining the written consent of the Seller to such sale, assignment or transfer; provided, however, that this provision shall not apply to any transfer upon the termination of said trusteeship if said transfer is effected in the manner hereinbefore provided in this paragraph 12.

The Buyers hereby covenant and agree that they will not pledge, hypothecate or in any way encumber, or permit the encumbrance of, any part or all of said Equipment.

The term "Buyers" whenever used in this Agreement means, before any assignment of the rights of the Buyers hereunder as hereinbefore provided in the second preceding sub-paragraph of this paragraph 12, Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees aforesaid, as well as any successor or additional Trustees, and not individually, and after any such assignment shall include said Trustees and any assignees thereof, except only in so far as the Seller may specifically, in writing, relieve the Trustees or any of them or any such assignee from the obligations hereof as above provided.

(13) Defaults and Acceleration. In the event that any one or more of the following events of default shall occur, to-wit:

(a) The Buyers shall fail to pay in full when due any installment of principal or of interest at the time and in the manner hereinbefore contracted to be paid as provideed in paragraph 2 hereof; or

(b) The Buyers shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on their part to be kept and performed;

then at any time after the occurrence of such an event of default, the Seller may, upon written notice to the Buyers, and upon compliance with any legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, together with the unpaid interest thereon, whether the same shall then have fallen due or not, immediately due and payable, without further demand, and thereafter the entire sum shall carry interest at the rate of 6% per annum upon any

portion thereof then overdue, from the date of such default.

The Seller may at its election (and, if before sale or before full performance of this Agreement all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable by the Buyers hereunder, other than such part of said purchase price as shall have become due only because of a declaration under this paragraph as aforesaid, shall have been paid by the Buyers, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then and in every such case the Seller shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by notice to the Buyers in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such cured default had existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect the Seller's right, upon any other default, or impair any rights or remedies consequent thereon.

(14) Remedies. If the Buyers shall make default as hereinabove provided, then at any time after such notice of declaration of default and during the continuance of such default the Seller may, without further notice or demand except to the extent necessary in order to comply with any legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any of it, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Buyers any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this paragraph 14 expressly provided, and may remove the same from the use and possession of the Buyers and for such purpose may enter upon the Buyers' premises where the Equipment may be located, and may use and employ in connection with such removal, at the expense of the Buyers, any supplies, services and aids, and any available trackage and other facilities or means of the Buyers, without process of law; and the Buyers shall deliver the Equipment, or any of it, with all replacements, improvements, equipment, attachments and accessories thereof, at its own cost at such place or places on its railroad as the Seller may reasonably designate and for such purpose move or draw the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery the Seller shall have the right to store the same upon the premises of the Buyers without charge until the Seller shall desire to remove the same therefrom. And it is hereby expressly agreed by the Buyers that performance of this Agreement to deliver the Equipment as hereinbefore provided is of the essence of the Agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Buyers requiring specific performance hereof.

If the Buyers shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller with or without retaking possession thereof may sell the Equipment, or any of it, and any such replacements, improvements, equipment, attachments and accessories, free from any and all claims of the Buyers, or of any other party claiming by, through or under them at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any legal requirements then in

force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Seller may fix (unless the Seller shall, as so permitted, specify a different place or places, in which case the sale or sales shall be held at such place or places and at such time or times as the Seller may specify), in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine in compliance with any such legal requirements, provided that the Buyers shall be given written notice of such sale as provided in any such applicable legal requirements, but in any event no less than ten (10) days prior thereto, by telegram or registered mail addressed to the Buyers at Chicago, Illinois. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Buyers to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment or any of it and any such replacements, improvements, equipment, attachments and accessories, so offered for sale without accountability to the Buyers (except to the extent of surplus money received as hereinafter provided in the last paragraph of this paragraph 14), and in payment of such purchase price the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Buyers hereunder.

Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder shall impair any such power or remedy, or shall be construed to be a waiver of any default, or any acquiescence therein.

If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyers shall have the right after all sums due hereunder to the Seller shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyers free from any further liabilities or obligations to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Buyers shall pay the amount of such deficit to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyers.

(15) Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any State, or which by any applicable law of any State would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable State law

may be waived they are hereby waived by the Buyers to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

(16) Extension Not a Waiver. Any extension of time granted by the Seller to the Buyers for the payment of any sum due under this Agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(17) Recording. The Buyers shall cause this Agreement to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for the Seller, of the Seller's title to the Equipment and any replacement or replacements, and its rights under this Agreement; and the Buyers 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 the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this Agreement.

(18) Payment and Expenses. The Buyers shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, execution, acknowledgment, filing registering and recording of this Agreement and of the first assignment or assignments by the Seller of title to the Equipment, and of any instrument supplemental hereto or amendatory hereof.

(19) Execution of Counterparts. This Agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

(20) Section Headings. All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(21) Modification of Agreement. This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire Agreement between the Buyers and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyers and the Seller.

(22) Possession and Use of the Equipment by the Buyers. So long as the Buyers shall not be in default under this Agreement, the Buyers shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad aforesaid from and after the delivery of the Equipment by the Seller to the Buyers, but only upon and subject to all terms and conditions of this Agreement.

(23) Law Governing. As the Equipment covered by this Agreement may be used in various states which may have conflicting laws as to the rights and obligations of the parties hereunder, it is agreed that, irrespective of the place of execution of this Agreement, or of the place of delivery and use of the Equipment, all rights and obligations of the parties hereto to each other under the terms of this Agreement, shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, The Baldwin Locomotive Works has caused these presents to be executed by its duly elected officers pursuant to lawful resolutions, 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, as aforesaid and not

individually, have hereunto set their hands and seals, all as of the day, month and year first above written.

THE BALDWIN LOCOMOTIVE WORKS

(SEAL)

By W. H. Harman
Vice-President.

Attest:

Charles E. Acker
Secretary

Signed, sealed and delivered by
The Baldwin Locomotive Works
in the presence of:

S. H. Gordon

J. Lindsay
Attesting Witnesses.

Henry A. Scandrett (Seal)

Walter J. Cummings (Seal)

George I. Haight (Seal)

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 PENNSYLVANIA)
COUNTY OF DELAWARE) SS

I, William Friedman, 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 October, 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. H. Harman and C. E. Acker, to me personally known and known to me to be, respectively, the Vice President and Secretary of The Baldwin Locomotive Works, 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 Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said W. H. Harman and C. E. Acker, 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. H. Harman resides in Merion in the State of Pennsylvania, and that said C. E. Acker resides in Wallingford, in the State of Pennsylvania; that said W. H. Harman is Vice President and said C. E. Acker is Secretary of The Baldwin Locomotive Works, the corporation described in and which executed the within and foregoing instrument in writing; that they, said W. H. Harman, Vice President, and C. E. Acker, 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 Delaware, State of Pennsylvania, this the day and year in this my certificate first above written.

My commission as such Notary Public expires August 2, 1942.

(Notarial)
(Seal)

/s/ WILLIAM FRIEDMAN
Notary Public in and for the State
of Pennsylvania, County of Delaware.

In the Courts of Common Pleas of Delaware County

State of Pennsylvania)
) ss:
County of Delaware)

I. R. J. MacBride, 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 WILLIAM FRIEDMAN, Esquire, before whom the annexed affidavit or acknowledgement was made, was at the time of so doing 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 acknowledgements 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 WILLIAM FRIEDMAN 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 7th day of October in the year of our Lord one thousand nine hundred forty.

R. J. MacBRIDE, Prothonotary.

(SEAL)

By /s/ FRANCIS P. CARTER
Deputy Prothonotary.

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 the 24th day of September, 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, 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 July 21, 1943.

(Notarial)
(Seal)

J. M. Jarmotz

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 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 10 day of October, 1940.

Michael J. Flynn County Clerk.

(SEAL)

STATE OF WISCONSIN)
) SS
DEPARTMENT OF STATE)

Received this 14th day of October A. D. 1940, at 8:30 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 1-12, inclusive..

ROBERT C. ZIMMERMAN

Assistant Secretary of State

Executed in 15 Counterparts
Counterpart No. 11

Filed 1889

ASSIGNMENT AGREEMENT
Between
THE BALDWIN LOCOMOTIVE WORKS
and
CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

of

CONDITIONAL SALE AGREEMENT
Dated September 1, 1940
THE BALDWIN LOCOMOTIVE WORKS
to
TRUSTEES OF THE PROPERTY OF
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DATED NOVEMBER 12, 1940.

- - - - - - - - - - - - - -

ASSIGNMENT AGREEMENT

THIS AGREEMENT, dated November 12, 1940, between THE BALDWIN LOCOMOTIVE WORKS, a corporation duly organized and existing under the laws of the State of Pennsylvania, with its principal office and place of business in the Borough of Eddystone, Pennsylvania, (hereinafter referred to as the "Manufacturer"), and 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"),

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 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 120-ton, 1,000-horsepower Diesel switching locomotives, bearing Seller's Nos. 62406 and 62407, and Buyers' Nos. 1680 and 1681, as described and warranted by Seller's specifications No. 40-DE-4, and Seller's proposals dated July 27, 1940, and August 5 and 6, 1940, copy of which specifications and proposals has 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 Sixty-Five Thousand and Fifty Dollars ($165,050.00), payable in installments and with interest as therein provided;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that in consideration of the sum of One Hundred Sixty-Five Thousand and Fifty Dollars ($165,050.00) 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 Manufacturer 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 The Baldwin Locomotive Works, 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 their 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.

(Corporate)
(Seal)

THE BALDWIN LOCOMOTIVE WORKS,
By: /s/ W. H. HARMAN
Vice-President.

ATTEST:

/s/ CHARLES E. ACKER
Secretary.

Signed, sealed and delivered by The Baldwin Locomotive Works in the presence of:

/s/ HARRY T. GORDON

/s/ J. V. LINDSAY
Attesting Witnesses.

(Corporate)
(Seal)

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
By: /s/ W. J. DELANEY
Vice-President.

ATTEST:

/s/ R. W. SWEZEY
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago in the presence of:

/s/ MARY T. BARRY

/s/ A. G. SCHELL
Attesting Witnesses.

STATE OF PENNSYLVANIA,)
) ss.
COUNTY OF DELAWARE.)

I, William Friedman, 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 12th day of November, 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. H. Harman and Charles E. Acker, to me personally known and known to me to be, respectively, the Vice President and Secretary of The Baldwin Locomotive Works, 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 said W. H. Harman and Charles E. Acker, 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. H. Harman resides in Merion in the State of Pennsylvania, and that said Charles E. Acker resides in Wallingford in the State of Pennsylvania; that said W. H. Harman is Vice President and said Charles E. Acker is Secretary of The Baldwin Locomotive Works, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, said W. H. Harman, Vice President, and said Charles E. Acker, 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 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 Delaware, State of Pennsylvania, this the day and year in this my certificate first above written.

My commission as such Notary Public expires August 2, 1942.

(Notarial)
(Seal)

/s/ WILLIAM FRIEDMAN
Notary Public in and for the State of Pennsylvania, County of Delaware.
NOTARY PUBLIC
My Commission Expires August 2, 1942.

In the Courts of Common Pleas of Delaware County

State of Pennsylvania)
) ss.
County of Delaware)

I, R. J. MacBRIDE, 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 William Friedman, Esquire, before whom the annexed affidavit or acknowledgment was made, was at the time of so doing 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 convayances 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 13 day of November in the year of our Lord one thousand nine hundred forty.

R. J. MacBRIDE, Prothonotary.

(SEAL)

By /s/ WM. P. JOHNSON
Deputy Prothonotary.

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 convayances of lands, tenements, and hereditaments in said County, DO HEREBY CERTIFY that on the 15th day of November, 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, 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 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, one of the corporations 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 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.....My Commission Expires Jan. 16,1941.

(Notarial)
(Seal)

/s/ 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 convayances 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 November, 1940.

(SEAL)

/s/ MICHAEL J. FLYNN
County Clerk

STATE OF WISCONSIN)
) ss.
DEPARTMENT OF STATE)

Received this 19th day of November A. D. 1940 at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 13-16, inclusive.

/s/ ROBERT C. ZIMMERMAN
Assistant Secretary of State

Lot 9

CONDITIONAL SALE CONTRACT
Between

PULLMAN-STANDARD CAR MANUFACTURING COMPANY

and

G. W. WEBSTER and JOSEPH CHAPMAN

Trustees of the property of

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY
Covering

250 BOX CARS

Dated September 17, 1940
* * * * * * * * * * * * * * *

AGREEMENT OF CONDITIONAL SALE.

THIS AGREEMENT, Made this 17th day of September, 1940 by and between PULLMAN-STANDARD CAR MANUFACTURING COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware (hereinafter called Car Company), party of the first part, and G. W. WEBSTER and JOSEPH CHAPMAN, Trustees of the property of the MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota and other States (said Trustees, without regard to plurality of number, being hereinafter called Vendee), party of the second part,

WITNESSETH, THAT:

WHEREAS, G. W. Webster and Joseph Chapman were duly appointed Trustees of the property of Minneapolis, St. Paul & Sault Ste. Marie Railway Company (sometimes herein referred to as "Railway Company") by Order of the District Court of the United States for the District of Minnesota, Fourth Division, dated January 29, 1938, in a proceeding for the reorganization of a railroad, entitled "In the Matter of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Debtor", No. 13816, and have duly qualified and are now acting as such Trustees; and

WHEREAS, by Order of the Court dated September 17, 1940, said Trustees were authorized and empowered to enter into this contract, and to make and to carry out the covenants and agreements on their part herein contained.

NOW, THEREFORE, in consideration of the premises and of the mutual promises of the parties hereto hereinafter set forth, the parties hereto agree as follows:

1. Car Company will build for Vendee and on completion thereof will sell and deliver to Vendee, f. o. b. at Burlington, Wisconsin, the following freight cars:

250-40'6" 50 ton Box Cars at a price of $2,812.50 each. Said box cars will be duplicates of box cars previously built this year for Vendee under Lot No. 5631, and will be numbered 43600 to 44098 inclusive, even numbers only.

2. Vendee will accept delivery of and purchase said cars on completion thereof subject to all the terms and conditions of this contract, and will pay Car Company therefor an aggregate purchase price of $703,125.00, said amount, however, being subject to adjustment as provided in Section 3 hereof, in case of any change in specifications. Said purchase price will be payable to Car Company at the office of its Treasurer in the City of Chicago, Illinois, or at such bank or Trust Company either in Chicago, New York or elsewhere as Car Company may direct, free of expense to Car Company for collection or other charges, as follows:

Upon completion of the delivery of not less than one hundred twenty-five (125), or

one-half, of said cars, Vendee will pay to Car Company $105,468.75 as a cash down payment on the said aggregate purchase price. Payment of the balance of said purchase price will be made by Vendee at rate of $1.00 per car per day in equal monthly installments of $7,604.17, each (except as to the last installment, which will be $2,379.17) commencing on January 10, 1941, and continuing thereafter on the tenth day of each calendar month until the balance of the aggregate purchase price together with interest at the rate of 2% per annum on the diminishing unpaid balances of such purchase price, be thereby paid and discharged.

A schedule of such payments to be so made by Vendee showing the amounts and dates of the installment payments, the amounts of interest included in each such installment, 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

Installment No.	Date Payable	Amount of Monthly Installment	Interest Included at 2%	Balance of Installment Applied on Principal	Balance of Purchase Price Unpaid After Payment of Installment on This Date
Balance of Purchase Price					597,656.25
1	Jan. 10, 1941	7,604.17	996.09	6,608.08	591,048.17
2	Feb. 10, 1941	7,604.17	985.08	6,619.09	584,429.08
3	Mar. 10, 1941	7,604.17	974.05	6,630.12	577,798.96
4	Apr. 10, 1941	7,604.17	963.00	6,641.17	571,157.79
5	May 10, 1941	7,604.17	951.93	6,652.24	564,505.55
6	June 10, 1941	7,604.17	940.84	6,663.33	557,842.22
7	July 10,1941	7,604.17	929.74	6,674.43	551,167.79
8	Aug. 10, 1941	7,604.17	918.61	6,685.56	544,482.23
9	Sept. 10,1941	7,604.17	907.47	6,696.70	537,785.53
10	Oct. 10,1941	7,604.17	896.31	6,707.86	531,077.67
11	Nov. 10,1941	7,604.17	885.13	6,719.04	524,358.63
12	Dec. 10,1941	7,604.17	873.93	6,730.24	517,628.39
13	Jan. 10,1942	7,604.17	862.71	6,741.46	510,886.93
14	Feb. 10,1942	7,604.17	851.48	6,752.69	504,134.24
15	Mar. 10,1942	7,604.17	840.22	6,763.95	497,370.29
16	Apr. 10,1942	7,604.17	828.95	6,775.22	490,595.07
17	May. 10,1942	7,604.17	817.66	6,786.51	483,808.56
18	June 10,1942	7,604.17	806.35	6,797.82	477,010.74
19	July 10,1942	7,604.17	795.02	6,809.15	470,201.59
20	Aug. 10,1942	7,604.17	783.67	6,820.50	463,381.09
21	Sept. 10,1942	7,604.17	772.30	6,831.87	456,549.22
22	Oct. 10,1942	7,604.17	760.92	6,843.25	449,705.97
23	Nov. 10,1942	7,604.17	749.51	6,854.66	442,851.31
24	Dec. 10,1942	7,604.17	738.09	6,866.08	435,985.23
25	Jan. 10,1943	7,604.17	726.64	6,877.53	429,107.70
26	Feb. 10,1943	7,604.17	715.18	6,888.99	422,218.71
27	Mar. 10,1943	7,604.17	703.70	6,900.47	415,318.24
28	Apr. 10,1943	7,604.17	692.20	6,911.97	408,406.27
29	May 10,1943	7,604.17	680.68	6,923.49	401,482.78
30	June 10,1943	7,604.17	669.14	6,935.03	394,547.75
31	July 10,1943	7,604.17	657.58	6,946.59	387,601.16
32	Aug. 10,1943	7,604.17	646.00	6,958.17	380,642.99
33	Sept. 10,1943	7,604.17	634.40	6,969.77	373,673.22
34	Oct. 10,1943	7,604.17	622.79	6,981.38	366,691.84
35	Nov. 10,1943	7,604.17	611.15	6,993.02	359,698.82
36	Dec. 10,1943	7,604.17	599.50	7,004.67	352,694.15
37	Jan. 10,1944	7,604.17	587.82	7,016.35	345,677.80
38	Feb. 10,1944	7,604.17	576.13	7,028.04	338,649.76
39	Mar. 10,1944	7,604.17	564.42	7,039.75	331,610.01
40	Apr. 10,1944	7,604.17	552.68	7,051.49	324,558.52
41	May 10,1944	7,604.17	540.93	7,063.24	317,495.28
42	June 10,1944	7,604.17	529.16	7,075.01	310,420.27
43	July 10,1944	7,604.17	517.37	7,086.80	303,333.47
44	Aug. 10,1944	7,604.17	505.56	7,098.61	296,234.86
45	Sept. 10,1944	7,604.17	493.72	7,110.45	289,124.41
46	Oct. 10,1944	7,604.17	481.87	7,122.30	282,002.11
47	Nov. 10,1944	7,604.17	470.00	7,134.17	274,867.94
48	Dec. 10,1944	7,604.17	458.11	7,146.06	267,721.88
49	Jan. 10,1945	7,604.17	446.20	7,157.97	260,563.91
50	Feb. 10,1945	7,604.17	434.27	7,169.90	253,394.01
51	Mar. 10,1945	7,604.17	422.32	7,181.85	246,212.16
52	Apr. 10,1945	7,604.17	410.35	7,193.82	239,018.34
53	May 10,1945	7,604.17	398.36	7,205.81	231,812.53
54	June 10,1945	7,604.17	386.35	7,217.82	224,594.71
55	July 10,1945	7,604.17	374.32	7,229.85	217,364.86
56	Aug. 10,1945	7,604.17	362.27	7,241.90	210,122.96
57	Sept.10,1945	7,604.17	350.20	7,253.97	202,868.99
58	Oct. 10,1945	7,604.17	338.11	7,266.06	195,602.93
59	Nov. 10,1945	7,604.17	326.00	7,278.17	188,324.76
60	Dec. 10,1945	7,604.17	313.87	7,290.30	181,034.46
61	Jan. 10,1946	7,604.17	301.72	7,302.45	173,732.01
62	Feb. 10,1946	7,604.17	289.55	7,314.62	166,417.39
63	Mar. 10,1946	7,604.17	277.36	7,326.81	159,090.58
64	Apr. 10,1946	7,604.17	265.15	7,339.02	151,751.56
65	May 10,1946	7,604.17	252.92	7,351.25	144,400.31
66	June 10,1946	7,604.17	240.67	7,363.50	137,036.81
67	July 10,1946	7,604.17	228.39	7,375.78	129,661.03
68	Aug. 10,1946	7,604.17	216.10	7,388.07	122,272.96
69	Sept.10,1946	7,604.17	203.79	7,400.38	114,872.58
70	Oct. 10,1946	7,604.17	191.45	7,412.72	107,459.86
71	Nov. 10,1946	7,604.17	179.10	7,425.07	100,034.79
72	Dec. 10,1946	7,604.17	166.73	7,437.44	92,597.35
73	Jan. 10,1947	7,604.17	154.33	7,449.84	85,147.51
74	Feb. 10,1947	7,604.17	141.91	7,462.26	77,685.25
75	Mar. 10,1947	7,604.17	129.48	7,474.69	70,210.56
76	Apr. 10,1947	7,604.17	117.02	7,487.15	62,723.41
77	May 10,1947	7,604.17	104.54	7,499.63	55,223.78
78	June 10,1947	7,604.17	92.04	7,512.13	47,711.65
79	July 10,1947	7,604.17	79.52	7,524.65	40,187.00
80	Aug. 10,1947	7,604.17	66.98	7,537.19	32,649.81
81	Sept.10,1947	7,604.17	54.42	7,549.75	25,100.06
82	Oct. 10,1947	7,604.17	41.83	7,562.34	17,537.72
83	Nov. 10,1947	7,604.17	29.23	7,574.94	9,962.78
84	Dec. 10,1947	7,604.17	16.60	7,587.57	2,375.21
85	Jan. 10,1948	2,379.17	3.96	2,375.21	- 0 -
		641,129.45	43,473.20	597,656.25	

The above schedule of payments is based on acceptance of December 10, 1940 as average date of delivery of the cars. In case the actual average date of delivery shall be either prior to or subsequent to said date, an adjustment will be made in the first monthly installment payment by adding thereto if delivery be earlier, or subtracting therefrom if delivery be later, an amount equal to $32.75 per day (such amount representing interest for one day on $597,656.25 at the rate of two per cent (2%) per annum) for each day that such actual average date of delivery may be before or after December 10, 1940.

Vendee shall have the right at the time of any monthly payment, provided he shall have given not less than 15 days prior notice of his intention so to do, and he be not in default hereunder, to make payment of the entire balance of the purchase price then payable hereunder as shown on said schedule of payments. Such payment will be accepted by Car Company in full discharge of all Vendee's obligations hereunder, and this contract shall thereupon be cancelled, and Car Company will execute and deliver to Vendee a bill of sale covering the cars, with covenants against all liens, encumbrances or other interest in the cars which may be claimed by Car Company or by anyone claiming under it.

Vendee shall also have the right at any time on notice as above provided, to anticipate the payment of one or more of the future monthly payments of principal agreed to be made hereunder; and such payments will be credited by Car Company toward payment of balance due on such cars, and interest will be computed thereafter on the actual balance of principal remaining to be paid thereon. Neither the making of any such advance payment of principal by Vendee nor the acceptance thereof by the Car Company shall relieve the Vendee of his obligation to make monthly payments of interest due on each monthly payment date set forth in the Schedule of Payments, on the unpaid balance of the purchase price actually remaining to be paid on such date.

3. The plans and specifications may be modified or supplemented by further drawings, specifications and written instructions prepared and submitted by Vendee, provided,

that Car Company shall not be required to accept or agree to any such change or modification if in its judgment such change will not be practicable or will unduly delay the work. If such change or modification shall increase or decrease the cost of said cars, an adjustment equal to the full amount of such increase or decrease will be made in the first monthly installment payment of the purchase price.

4. Car Company will give Vendee full opportunity to inspect said cars during the construction thereof at its Michigan City Plant. On completion of any of said cars Vendee will arrange for final inspection thereof and will have his inspector execute in duplicate the usual form of Certificate of Inspection covering all cars which are found, on inspection, 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.

5. Car Company will deliver said cars at Burlington, Wisconsin, ready for service and free of all liens, incumbrances and claims of any nature by or in favor of any person or party, and subject only to the reservation of title therein by Car Company under the provisions hereof. Delivery of cars will be commenced within sixty (60)days after settlement of mechanical details of construction, and will continue at rate of twenty-four cars per working day until completed, subject only to the ability of Car Company to obtain necessary materials and subject to delays caused by strikes, fires, accidents or other unavoidable causes or contingencies beyond the Car Company's control.

Vendee will save Car Company harmless from all claims on account of use of any patented device or design (other than such as may be owned or controlled by Car Company) specified by Vendee for use in the cars; and Car Company in like manner will save Vendee harmless from all claims on account of use of any other patented device or design in the cars not so specified by Vendee.

6. All payments by Vendee hereunder shall be free of expense to Car Company for collection or other charges and no deduction shall be made therefrom of the amount of any Federal, State or other taxes, assessments, or governmental charges (other than income taxes), levied or imposed upon said cars, or upon the selling, shipment, delivery or use thereof, all of which expenses and taxes Vendee assumes and agrees to pay in addition to the above mentioned purchase price of the cars. All payments provided for in this contract shall be made by Vendee to Car Company in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public or private debts.

Vendee shall also pay promptly all taxes, assessments and governmental charges (not including taxes on net income of Car Company) which from time to time may be imposed upon the cars, or the earnings arising therefrom, or the operation thereof, or upon Car Company 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 incumbrances; 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 Car Company its right and interests 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 which the said cars may be operated covering the use, operation or maintenance of said cars and with the lawful rules with respect to the 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 his own expense and shall maintain said cars in proper condition for operation under such laws and rules during the term of this contract.

7. Car Company 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 provided in this contract 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. All replacements of parts of the cars and all additional equipment or facilities installed thereon or therein shall constitute accessions to the cars and 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 Car Company, but Car Company will, if requested by Vendee so to do, execute and deliver to Vendee a bill of sale covering the cars with covenants against all liens, encumbrances and other interest in the cars, which may be claimed by Car Company or by anyone claiming under it, when all such purchase price and interest and other payments shall have been fully paid.

8. Vendee at his own expense, shall keep the above cars insured against damage or destruction by fire, at all times while this contract shall be in force, to an amount not less than the balance of the purchase price remaining to be paid hereunder and in a company or companies to be approved by Car Company. The policy or policies shall specify that all payments of loss on said cars shall be made to Car Company, owner, as its interest may appear, and such policies or certified copies thereof shall be deposited with Car Company. In case Vendee shall fail to keep such cars so insured and to deposit policies as aforesaid, Car Company may itself insure such cars, and in this event Vendee shall be obligated to repay to Car Company the amount of premiums paid therefor with interest thereon at rate of five per cent (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 result of loss covered by said insurance, or received from another railroad company on account of any of said cars being damaged or destroyed by accident or otherwise on the lines of such other railroad, (not in excess however of balance due for such car or cars as provided in Section 9 below, and provided such car or cars shall not already have been completely repaired or properly replaced) shall be immediately remitted to Car Company to be held by Car Company for the account of the Vendee pending repair or replacement of such cars by Vendee. Promptly upon receipt of satisfactory proof of the proper repair or replacement of such car or cars, Car Company will immediately pay over to Vendee, all insurance or other moneys theretofore received by it, as above provided, on account of damage to or destruction of such car or cars.

9. Vendee at his 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 shall 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 Car Company an amount equal to the full unpaid balance of the purchase price remaining to be paid on such car, (any payment already received by Car Company as insurance or as compensa-

tion for such damage or loss from another Railroad Company to be first credited toward payment of such balance), and such amount with suitable allowance of interest thereon at rate of two per cent (2%) per annum will be credited by Car Company 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 dstruction of any of said cars, Vendee will give Car Company written notice thereof with full particulars of the extent of the loss or damage incurred. Any failure on the part of Vendee to repair any such cars with reasonable promptness or to pay for each car which may be destroyed shall entitle Car Company to declare a default hereunder and to take such action as is authorized to be taken by Car Company in case of a default in making payment for said cars as herein provided.

Vendee will permit inspection of said cars from time to time by agents of Car Company and upon prior request of Car Company will furnish as of June 30th of any year, a statement showing the condition of said cars and what, if any, substantial repairs are being made or have been made upon any of them since the last preceding report.

10. Before delivery of said cars to Vendee, Car Company will fasten upon each side of each car a metal plate bearing the following words in letters not less than one-half of an inch in height: "PULLMAN-STANDARD CAR MANUFACTURING COMPANY, OWNER." Such plates will be so located as to be readily visible and to indicate plainly Car Company'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 law or otherwise, additional or other plates or markings shall be required to protect the interests of Car Company, Vendee shall provide and install and thereafter maintain the same on all such cars.

The cars may be lettered and numbered in such appropriate manner, as Vendee may desire, 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 Car Company or its assignee. In case Vendee shall change the lettering or number assigned to or placed on any car, immediate notice of such change shall be given to Car Company so that it may correct its records accordingly.

In the event of a transfer or assignment, or successive transfers or assignments by Car Company or by its assignees of title to said cars and of Car Company'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 Car Company hereunder, but the expense of making such change in plates shall be borne by the party or parties requesting such change or by Car Company.

11. Vendee shall bear the risk of and shall not be released from its obligations hereunder by reason 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, indemnity and keep harmless Car Company 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 Car Company under this contract including the right

to receive the payments herein provided to be made by Vendee, may be assigned by Car Company 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 Pullman-Standard Car Manufacturing Company or the successor or successors to its manufacturing property and business from, any of the obligations of Pullman-Standard Car Manufacturing Company as to the construction or delivery of the cars or as to any indemnity with respect thereto, or from any other duty, obligation or liability except the duty to execute necessary and proper instruments of transfer as and when Vendee shall be entitled thereto pursuant to the provisions of Section 7 hereof.

Upon any such assignment the assignor shall give written notice to Vendee, together with a counterpart or copy of such assignment, stating the identity and postoffice address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Car Company'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 notice of any such assignment, all payments thereafter to be made by Vendee hereunder to the extent so assigned, shall be made to the assignee.

In the event that this contract is assigned by Car Company 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 Pullman-Standard Car Manufacturing Company or the successor or successors to its manufacturing properties and business in respect of the cars or the manufacture or delivery thereof, or in respect of any indemnity herein contained, nor 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 Pullman-Standard Car Manufacturing Company. And all such obligations, howsoever, arising shall be and remain enforceable by Vendee against and only against Pullman-Standard Car Manufacturing Company and the successor or successors to its manufacturing properties and business, but shall not be enforceable against any party or parties in whom title to the cars or any of them, or the rights of Car Company hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

The term "Car Company" whenever used in this Contract means, before any assignment of all or any rights of Car Company hereunder as hereinbefore provided in this paragraph 12, Pullman-Standard Car Manufacturing 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 "Pullman-Standard Car Manufacturing 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.(a)In case Vendee shall make default in the payment of any installment of principal or of interest each month, as herein provided, and shall remain in default for more than thirty (30) days after such payment shall have become due, or shall be in default under the provisions of section 14 hereof; or shall fail or refuse to comply with any

other of the terms and covenants in this contract on his part to be kept and performed, or to make provisions satisfactory to Car Company for such compliance, and any such failure or refusal, other than a default under section 14 hereof or a default in the payment of monthly payment hereunder, shall continue for more than thirty(30) days after notice in writing thereof to Vendee, then, in any such case (herein sometimes called events of default) at any time thereafter during the continuance of such default Car Company may, without further notice or demand except to the extent necessary in order to comply with any legal requirements then in force and applicable to such action by Car Company, declare the entire unpaid balance of the purchase price of the care immediately due and payable, 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 at rate of five per cent (5%) per annum; and Car Company 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. Car Company may at its election, (and, if before the sale of the cars as in paragraph 13 (c) hereof provided, the Vendee shall have paid to Car Company, all costs and expenses of Car Company incidental to any such default, and all sums which shall then have become due and payable by Vendee hereunder, other than such part of said purchase price as shall have become due only because of the declaration of Car Company under this section, and shall have remedied all other existing events of default or made provision therefor satisfactory to Car Company, then Car Company shall) waive each and every event of default prior to such date and its consequences and rescind and annul any such declaration or termination by giving notice to Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no such declaration or termination had been made; but no such waiver, recission or annulment shall limit or affect Car Company's right, upon any other default, to declare the unpaid balance of said purchase price due in the manner provided in this section or extend to or affect any other default, or impair any rights or remedies consequent upon any such other default.

(b) If Vendee shall make default as hereinabove provided, then at any time thereafter during the continuance of such default Car Company, without further notice or demand except to the extent necessary in order to comply with any such legal requirements, may take or cause to be taken by its agent or agents immediate possession of the cars, or any of them, and all present and future equipment, attachments and accessories thereof, without liability to return to Vendee any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this section 13 expressly provided, and may remove the same from the use and possession of Vendee and for such purpose may enter upon Vendee's premises where the cars may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of Vendee, without process of law; and Vendee shall assemble and deliver the cars, with all replacements, improvements, equipment, attachments and accessories thereof, at his own cost at such place or places on his railroad as Car Company may reasonably designate, and in case of such retaking or delivery Car Company shall have the right to store the same upon the premises of Vendee without charge until Car Company shall be able within a reasonable time to remove the same therefrom. The assembling and delivery of the cars as hereinbefore provided is of the essence of this contract between the parties and upon application to any court of equity having jurisdiction in the premises, Car Company

shall be entitled to a decree against Vendee requiring specific performance hereof.

(c) If Vendee shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, Car Company with or without retaking possession thereof may sell the cars or any of them, and all replacements thereof, and all improvements, equipment, attachments and accessories placed thereon, free from any and all claims of Vendee, or of any other party claiming by, through or under him at law or in equity, at public or private sale and with or without advertisement as Car Company may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at such location and at such time or times as Car Company may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Car Company may determine in compliance with any such legal requirements, provided that written notice of such sale shall be given to Vendee at least ten (10) days prior thereto, by telegram or registered mail addressed to Vendee at his office in Minneapolis, Minnesota, or such other notice, if any, as may be necessary to comply with any such legal requirements. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of Vendee to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, Car Company may itself bid for and become the purchaser of the cars, or any of them so offered for sale without accountability to Vendee (except to the extent of surplus money received as hereinafter provided in the last paragraph of this section 13) and in payment of such purchase price Car Company shall be entitled to the extent aforesaid to have credited on account thereof all sums due to Car Company by Vendee hereunder.

(d) Each and every power or remedy hereby specifically given to Car Company shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Car Company. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Car Company in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy, or shall be construed to be a waiver of any default, or an acquiescence therein.

(e) If Car Company shall exercise any of the powers or remedies conferred upon it hereunder, Vendee shall have the right, after all sums due hereunder to Car Company shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to any of the cars, if not previously sold or otherwise disposed of by Car Company pursuant to the provisions hereof, to be transferred and assigned by Car Company to Vendee free from any further liabilities or obligations to Car Company. If after applying all sums of money realized by Car Company under the remedies herein provided, there shall remain any amount due it under the provisions of this contract, Vendee shall pay the amount of such deficit to Car Company. If after applying as aforesaid all sums realized by Car Company, there shall remain a surplus in the possession of Car Company, such surplus shall be paid to Vendee.

14. Vendee shall not assign nor transfer this contract or any of his rights hereunder, nor transfer nor sublet the said cars or any of them (except to Railway Company or to its successor conditioned on the assumption by said Railway Company, or by such successor of all Vendee's obligations hereunder) without Car Company's written consent first had and obtained, and shall not cause nor 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, and shall not suffer the said cars or any of them to pass out of Vendee's control except in the ordinary course of the operation of freight cars in through joint movement and interchange over lines of connecting and other railway carriers.

If by reason of any judicial or administrative proceeding, decree, order, or otherwise, Vendee shall be no longer obligated to perform or able to perform and comply with his obligations under this contract, or if the successor in interest to Vendee shall refuse to assume in writing, on his or its behalf, this contract and its then unfulfilled obligations, such action shall be deemed a breach of this contract and a default hereunder; whereupon Car Company may elect to declare the entire unpaid balance of the purchase price immediately due and payable as hereinbefore provided and may thereupon forthwith retake possession of the cars or any of them and exercise and enforce any and all other remedies as provided by Section 13 hereof.

15. Wherever provision is made in this contract for any notice to or demand upon Vendee, or if at any time Car Company 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 Postoffice, directed to Vendee at his office or place of business in the City of Minneapolis, Minnesota, and an affidavit by any person so depositing such notice in respect to 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.

16. 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.

17. Any extension of time granted by Car Company to Vendee for the payment of any sum due under this contract, shall not be deemed a waiver of the title of Car Company reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

18. Vendee shall cause this contract to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for Car Company, of Car Company'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 Car Company, for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this contract.

19. Vendee shall pay 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 Car Company and its assignee or assignees.

20. This contract may be simultaneously executed in ten 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.

21. This contract of conditional sale constitutes entire contract between Vendee and Car Company with respect to the sale of the 250 cars herein referred to. No variation or modification of this contract (except changes in plans and specifications which may be made as provided in Section 3 hereof) and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by Vendee and Car Company.

22. So long as the Vendee shall not be in default under this agreement, he shall be entitled to the possession of the cars and to the use thereof upon the lines of railroad operated by him, or over which he has trackage rights, and upon connecting and other railroads in the usual interchange of freight cars, from and after the delivery of the cars by Car Company to Vendee, but only upon and subject to all terms and conditions of this contract.

23. This contract shall inure to the benefit of and be binding upon said G. W. Webster and Joseph Chapman and their successors in office, not as individuals, but solely as Trustees of the property of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company. Any order confirming a Plan of Reorganization or any order approving the sale of all or substantially all of the estate of the Debtor, shall provide as a condition thereof that the Debtor corporation, or any purchaser, assignee, or transferee of the estate shall take the place of the Trustees of the Debtor's property and shall be bound by all of the obligations imposed upon them by this Conditional Sale Contract, and be entitled to all benefits accruing to them thereunder; and upon any dismissal of these proceedings, the order of dismissal shall contain as a term thereof a provision that any Receiver or Receivers, Trustee or Trustees taking possession of all or substantially all of the estate of the Debtor, shall take the place of the Trustees in this Conditional Sale Contract, and shall be bound thereby.

24. 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, Car Company, by its officers hereunto duly authorized by its Board of Directors, and Vendee, pursuant to order of said Court, have caused this contract to be duly executed, as of the day and year first above written.

PULLMAN-STANDARD CAR MANUFACTURING COMPANY,

(SEAL)

H. H. GILBERT,
Vice President

ATTEST:

J. A. KNOWLTON
Secretary

Signed, sealed and delivered by
Pullman-Standard Car Manufacturing
Company in the presence of:

F. MURPHY

R. J. NYMAN

Attesting Witnesses.

G. W. WEBSTER

JOSEPH CHAPMAN

As Trustees of the Property of
Minneapolis, St. Paul & Sault
Ste. Marie Railway Company but
not individually.

Signed, sealed and delivered by
G. W. Webster and Joseph Chapman
in the presence of:

R. E. DAVIES

P. J. STOCK
Attesting Witnesses

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, the undersigned, a Notary Public of said State, in and for and residing in said county, DO HEREBY CERTIFY that on this 23rd day of October, 1940, personally appeared before me, H. H. Gilbert and J. A. Knowlton, to me personally known to be the identical persons whose names are subscribed to the above instrument in writing, bearing date the 17th day of September, 1940, as Vice President and Secretary, respectively, of Pullman-Standard Car Manufacturing Company, a corporation described in said agreement and one of the makers thereof, and being by me duly sworn did depose and say that they are the Vice President and Secretary, respectively, of said Corporation, authorized by said Corporation to execute and acknowledge deeds, contracts and other writings of said Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that said instrument was signed and sealed by them on behalf of said corporation, by the authority of its board of directors duly given, and they acknowledged the said instrument to be the act and deed of said corporation, and by them as its Vice President and Secretary, respectively, thereunto duly authorized, voluntarily done and executed, and that they signed, sealed and delivered the said instrument as the free and voluntary act of said corporation, and as their own free and voluntary act as such Vice President and Secretary, respectively, for the consideration and purpose therein set forth.

Given under my hand and seal of office the day and year first above written.

Chas. F. Walters
Notary Public

(SEAL)

My commission expires March 30, 1941

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

I, the undersigned, a Notary Public of said State, in and for and residing in said County, DO HEREBY CERTIFY that on this 15th day of November, 1940, personally appeared before me G. W. Webster and Joseph Chapman, each to me personally known, and known to me to be Trustees of the Property of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Debtor, and known to me to be the identical persons who subscribed their names to and who executed the foregoing instrument in my presence; and said G. W. Webster and Joseph Chapman, being by me severally duly sworn, did on oath each for himself severally depose and say that the said G. W. Webster and Joseph Chapman are Trustees of the Property of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Debtor, that they and each of them signed their names to, and executed, the foregoing instrument in their capacities as Trustees of the property of said corporation pursuant to authority conferred upon them by the District Court of the United States for the District of Minnesota, Fourth Division; that they signed, sealed, executed and delivered said instrument as their own free and voluntary act and deed as such Trustees for the consideration, objects, uses and purposes therein stated and set forth; and that they severally duly acknowledged said instrument to be their free and voluntary act and deed as Trustees and that they executed the same.

Given under my hand and notarial seal the day and year first above written.

E. G. Watts
Notary Public.

(SEAL)

Notary Public Hennepin County, Minn.
My commission expires Oct. 10, 1945.

STATE OF WISCONSIN)
) SS
DEPARTMENT OF STATE)

Received this 2nd. day of Dec. A. D. 1940 at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 17-28 Inclusive.

ROBERT C. ZIMMERMAN
Asst. Secretary of State.

Executed in 18 Counterparts
Counterpart No. 12

SUPPLEMENTAL AGREEMENT

dated September 1, 1940
between

ELECTRO-MOTIVE CORPORATION
and

HENRY A. SCANDRETT, WALTER J. CUMMINGS and
GEORGE I. HAIGHT, Trustees of

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILWAY COMPANY

THIS SUPPLEMENTAL AGREEMENT, dated as of September 1, 1940, by and between ELECTRO-MOTIVE CORPORATION, a corporation organized and existing under the laws of the State of Delaware, with its principal office and place of business in the Village of LaGrange, Illinois (hereinafter sometimes called the "Seller"), 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, not individually but solely as such Trustees, as parties of the second part (hereinafter sometimes referred to as the "Buyers");

WITNESSETH THAT:

WHEREAS, the parties hereto entered into a Conditional Sale Agreement, dated as of September 1, 1940, under the terms of which the Seller agreed to sell to the Buyers, and the Buyers agreed to buy from the Seller, nine 600-horsepower Diesel switching locomotives, at a price of $61,838.00 each, and one 1,000 horsepower Diesel switching locomotive, at a price of $82,588.00; and

WHEREAS, the parties hereto entered into a certain other Conditional Sale Agreement, also dated as of September 1, 1940, whereby the Seller agreed to sell to the Buyers, and the Buyers agreed to buy from the Seller, two 1,000 horsepower Diesel switching locomotives, at a price of $82,588.00 each; and

WHEREAS, the Seller has reduced the price on said 1,000 horsepower Diesel switching locomotives to $79,488.00 each, and on said 600-horsepower Diesel switching locomotives to $60,688.00 each, and has agreed to make said price reduction retroactive so as to include the Diesel switching locomotives sold under said two Conditional Sale Agreements dated as of September 1, 1940.

NOW, THEREFORE, in consideration of the premises, and of their mutual and dependent covenants herein, and in said two Conditional Sale Agreements set forth, it is agreed that said two Conditional Sale Agreements, between the parties hereto, dated as of September 1, 1940, be, and the same are hereby modified, by providing for a price on each of said 600-horsepower Diesel switching locomotives of $60,688.00 f.o.b. Buyers' Station, Milwaukee, Wisconsin, in lieu of the price of $61,838.00 f.o.b. Buyers' Station, Milwaukee, Wisconsin, where therein set forth; and by providing for a price on each of said 1,000-horsepower Diesel switching locomotives of $79,488.00, f.o.b. Buyers' Station, Milwaukee, Wisconsin, in lieu of the price of $82,588.00 f.o.b. Buyers' Station, Milwaukee, Wisconsin, where therein set forth.

It is further mutually agreed that said Conditional Sale Agreement, covering nine 600-horsepower Diesel switching locomotives and one 1,000-horsepower Diesel switching locomotive, be, and the same is hereby modified, by providing in Section 2, Paragraph (b), for a total of 96 consecutively monthly payments of $7,058.22 each, except that the final monthly payment shall be in the amount of $7,057.86, in lieu of 96 consecutive monthly payments of $7,209.95 each, with a final monthly payment of $7,209.37, as therein provided.

It is further mutually agreed that said Conditional Sale Agreement, covering two 1,000-horsepower Diesel switching locomotives, be, and the same is hereby modified, by providing in Section 2, Paragraph (b), for a total of 96 consecutive monthly payments of $1,793.39 each, except that the final monthly payment shall be in the amount of $1,793.14, in lieu of 96 consecutive monthly payments of $1,863.33 each, as therein provided.

Except as herein expressly modified, all of the terms and conditions of said two Conditional Sale Agreements, dated as of September 1, 1940, between the parties hereto, shall remain in full force and effect.

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.

ELECTRO-MOTIVE CORPORATION,

F. H. PRESCOTT
Vice President

(SEAL)

Attest:

A. D. PEDLAR
Assistant Secretary.

Signed, sealed and delivered by
Electro-Motive Corporation in
the presence of:

Wm. Smith

F. W. Walker, Jr.

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

N. L. Steneck
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 10th 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 Asst. 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and 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 Ill., and that said A. D. Pedlar resides in LaGrange, in the State of Ill.; that said F. H. Prescott is Vice President and said A. D. Pedlar is Asst. 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 A. D. Pedlar, Asst. 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 Asst. 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 12/6/43.

(SEAL)

Katherine Louden
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 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 acknowledgement, 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 16 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 fifth 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.

(SEAL)

J. M. JARMOTZ
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 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 16 day of December, 1940.

(SEAL)

MICHAEL J. FLYNN County Clerk

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 17th day of December A. D. 1940, at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 29 to 31 inclusive.

Robert C. Zimmerman, Assistant Secretary of State

Index 7-18-C

CONDITIONAL SALE AGREEMENT

Between

PULLMAN-STANDARD CAR MANUFACTURING COMPANY

and

GREAT NORTHERN RAILWAY COMPANY

Dated December 27, 1940

* * * * * * * * * * * * *

CONDITIONAL SALE AGREEMENT

THIS AGREEMENT, Made this 27th day of December, 1940, by and between PULLMAN-STANDARD CAR MANUFACTURING COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter called "Car Company," party of the first part, and GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of 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. Car Company will build One Thousand (1,000) double Sheathed Box Cars of fifty (50) tons capacity, as described below, and will sell and deliver said cars on completion thereof by consigning same to Vendee, for delivery on its rails at St. Paul, Minnesota, and Vendee will purchase said cars on completion thereof, and will accept delivery thereof on arrival on its tracks at St. Paul, Minnesota, subject to each and all the terms and conditions of this contract, and will pay the freight charges for shipment of said cars from Michigan City, Indiana, to St. Paul, Minnesota, or to any other place to which Vendee may direct said box cars to be consigned and at which they shall be delivered. Said box cars (hereinafter collectively referred to as the "cars") will be numbered 47000 to 47999, both inclusive, and will be duplicates of box cars built by Car Company for Vendee in 1939, described in Agreement of Conditional Sale between the parties hereto dated June 3, 1939, and in specifications and drawings referred to therein, except that the specialties will be as set forth in Vendee's letter of October 16, 1940.

2. Vendee will pay Car Company as purchase price for said cars on basis of $2,977.34 per car as completed and ready for shipment at Michigan City, Indiana, making an aggregate purchase price of $2,977,340.00 for all said cars, based on the specifications above referred to. Said purchase price shall be payable to Car Company at the office of its treasurer at Chicago, Illinois, or at such bank or trust company either in the cities of Chicago or New York or elsewhere as Car Company may in writing direct free of expense to Car Company for collection or other charges as follows:

Payments for the cars will be made by Vendee in monthly installments of $30,416.67 each (equal to approximately $1.00 per car per day) on the first day of each month commencing March 1, 1941 and continuing until the full purchase price be paid, including interest thereon at rate of 2% per annum on the diminishing unpaid balances of the purchase price, remaining to be paid during each such month. The obligation of Vendee to make the payments in accordance with the provisions of this Section 2 in the full amounts stated, without anticipation except as in Section 10 hereof provided, shall continue until all installments shall have been paid in accordance with the table set forth in this Section 2.

A schedule of such payments to be so made by Vendee showing the amounts and dates of the installment payments, the amount of 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:

		Monthly Installment	Interest Included @ 2%	Balance Applied on Principal	Balance due on Purchase Price of 1000 cars as of this date after payment then due has been made
1	March 1, 1941	$30,416.67	$4,962.23	$25,454.44	$2,977,340.00
2	April 1, 1941	"	4,919.81	25,496.86	2,951,885.56
3	May 1, 1941	"	4,877.31	25,539.36	2,926,388.70
4	June 1, 1941	"	4,834.75	25,581.92	2,900,849.34
5	July 1, 1941	"	4,792.11	25,624.56	2,875,267.42
6	August 1, 1941	"	4,749.40	25,667.27	2,849,642.86
7	September 1, 1941	"	4,706.63	25,710.04	2,823,975.59
8	October 1, 1941	"	4,663.78	25,752.89	2,798,265.55
9	November 1, 1941	"	4,620.85	25,795.82	2,772,512.66
10	December 1, 1941	"	4,577.86	25,838.81	2,746,716.84
11	January 1, 1942	30,416.67	4,534.80	25,881.87	2,720,878.03
12	February 1, 1942	"	4,491.66	25,925.01	2,694,996.16
13	March 1, 1942	"	4,448.45	25,968.22	2,669,071.15
14	April 1, 1942	"	4,405.17	26,011.50	2,643,102.93
15	May 1, 1942	"	4,361.82	26,054.85	2,617,091.43
16	June 1, 1942	"	4,318.39	26,098.28	2,591,036.58
17	July 1, 1942	"	4,274.90	26,141.77	2,564,938.30
18	August 1, 1942	"	4,231.33	26,185.34	2,538,796.53
19	September 1, 1942	"	4,187.69	26,228.98	2,512,611.19
20	October 1, 1942	"	4,143.97	26,272.70	2,486,382.21
21	November 1, 1942	"	4,100.18	26,316.49	2,460,109.51
22	December 1, 1942	"	4,056.32	26,360.35	2,433,793.02
23	January 1, 1943	30,416.67	4,012.39	26,404.28	2,407,432.67
24	February 1, 1943	"	3,968.38	26,448.29	2,381,028.39
25	March 1, 1943	"	3,924.30	26,492.37	2,354,580.10
26	April 1, 1943	"	3,880.15	26,536.52	2,328,087.73
27	May 1, 1943	"	3,835.92	26,580.75	2,301,551.21
28	June 1, 1943	"	3,791.62	26,625.05	2,274,970.46
29	July 1, 1943	"	3,747.24	26,669.43	2,248,345.41
30	August 1, 1943	"	3,702.79	26,713.88	2,221,675.98
31	September 1, 1943	"	3,658.27	26,758.40	2,194,962.10
32	October 1, 1943	"	3,613.67	26,803.00	2,168,203.70
33	November 1, 1943	"	3,569.00	26,847.67	2,141,400.70
34	December 1, 1943	"	3,524.26	26,892.41	2,114,553.03
35	January 1, 1944	30,416.67	3,479.43	26,937.24	2,087,660.62
36	February 1, 1944	"	3,434.54	26,982.13	2,060,723.38
37	March 1, 1944	"	3,389.57	27,027.10	2,033,741.25
38	April 1, 1944	"	3,344.52	27,072.15	2,006,714.15
39	May 1, 1944	"	3,299.40	27,117.27	1,979,642.00
40	June 1, 1944	"	3,254.21	27,162.46	1,952,524.73
41	July 1, 1944	"	3,208.94	27,207.73	1,925,362.27
42	August 1, 1944	"	3,163.59	27,253.08	1,898,154.54
43	September 1, 1944	"	3,118.17	27,298.50	1,870,901.46
44	October 1, 1944	"	3,072.67	27,344.00	1,843,602.96
45	November 1, 1944	"	3,027.10	27,389.57	1,816,258.96
46	December 1, 1944	"	2,981.45	27,435.22	1,788,869.39
47	January 1, 1945	30,416.67	2,935.72	27,480.95	1,761,434.17
48	February 1, 1945	"	2,889.92	27,526.75	1,733,953.22
49	March 1, 1945	"	2,844.04	27,572.63	1,706,426.47
50	April 1, 1945	"	2,798.09	27,618.58	1,678,853.84
51	May 1, 1945	"	2,752.06	27,664.61	1,651,235.26
52	June 1, 1945	"	2,705.95	27,710.72	1,623,570.65
53	July 1, 1945	"	2,659.77	27,756.90	1,595,859.93
54	August 1, 1945	"	2,613.51	27,803.16	1,568,103.03
55	September 1, 1945	"	2,567.17	27,849.50	1,540,299.87
56	October 1, 1945	"	2,520.75	27,895.92	1,512,450.37
57	November 1, 1945	"	2,474.26	27,942.41	1,484,554.45
58	December 1, 1945	"	2,427.69	27,988.98	1,456,612.04
59	January 1, 1946	30,416.67	2,381.04	28,035.63	1,428,623.06
60	February 1, 1946	"	2,334.31	28,082.36	1,400,587.43
61	March 1, 1946	"	2,287.51	28,129.16	1,372,505.07
62	April 1, 1946	"	2,240.63	28,176.04	1,344,375.91
63	May 1, 1946	"	2,193.67	28,223.00	1,316,199.87
64	June 1, 1946	"	2,146.63	28,270.04	1,287,976.87
65	July 1, 1946	"	2,099.51	28,317.16	1,259,706.83
66	August 1, 1946	"	2,052.32	28,364.35	1,231,389.67
67	September 1, 1946	"	2,005.04	28,411.63	1,203,025.32
68	October 1, 1946	"	1,957.69	28,458.98	1,174,613.69
69	November 1, 1946	"	1,910.26	28,506.41	1,146,154.71
70	December 1, 1946	"	1,862.75	28,553.92	1,117,648.30
71	January 1, 1947	30,416.67	1,815.16	28,601.51	1,089,094.38
72	February 1, 1947	"	1,767.49	28,649.18	1,060,492.87
73	March 1, 1947	"	1,719.74	28,696.93	1,031,843.69
74	April 1, 1947	"	1,671.91	28,744.76	1,003,146.76
75	May 1, 1947	"	1,624.00	28,792.67	974,402.00
76	June 1, 1947	"	1,576.02	28,840.65	945,609.33
77	July 1, 1947	"	1,527.95	28,888.72	916,768.68
					887,879.96

		Monthly Installment	Interest Included @ 2%	Balance Applied on Principal	Balance due on Purchase Price of 1000 cars as of this date after payment then due has been made
78	August 1, 1947	30,416.67	1,479.80	28,936.87	858,943.09
79	September 1, 1947	"	1,431.57	28,985.10	829,957.99
80	October 1, 1947	"	1,383.26	29,033.41	800,924.58
81	November 1, 1947	"	1,334.87	29,081.80	771,842.78
82	December 1, 1947	"	1,286.40	29,130.27	742,712.51
83	January 1, 1948	30,416.67	1,237.85	29,178.82	713,533.69
84	February 1, 1948	"	1,189.22	29,227.45	684,306.24
85	March 1, 1948	"	1,140.51	29,276.16	655,030.08
86	April 1, 1948	"	1,091.72	29,324.95	625,705.13
87	May 1, 1948	"	1,042.84	29,373.83	596,331.30
88	June 1, 1948	"	993.89	29,422.78	566,908.52
89	July 1, 1948	"	944.85	29,471.82	537,436.70
90	August 1, 1948	"	895.73	29,520.94	507,915.76
91	September 1, 1948	"	846.53	29,570.14	478,345.62
92	October 1, 1948	"	797.24	29,619.43	448,726.19
93	November 1, 1948	"	747.88	29,668.79	419,057.40
94	December 1, 1948	"	698.43	29,718.24	389,339.16
95	January 1, 1949	30,416.67	648.90	29,767.77	359,571.39
96	February 1, 1949	"	599.29	29,817.38	329,754.01
97	March 1, 1949	"	549.59	29,867.08	299,886.93
98	April 1, 1949	"	499.81	29,916.86	269,970.07
99	May 1, 1949	"	449.95	29,966.72	240,003.35
100	June 1, 1949	"	400.01	30,016.66	209,986.69
101	July 1, 1949	"	349.98	30,066.69	179,920.00
102	August 1, 1949	"	299.87	30,116.80	149,803.20
103	September 1, 1949	"	249.67	30,167.00	119,636.20
104	October 1, 1949	"	199.39	30,217.28	89,418.92
105	November 1, 1949	"	149.03	30,267.64	59,151.28
106	December 1, 1949	"	98.59	30,318.08	28,833.20
107	January 1, 1950	28,881.26	48.06	28,833.20	- 0 -
		$ 3,253,048.28	$275,708.28	2,977,340.00	

The above schedule of payments is based on February 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 $163.14 for each day that such actual average date of delivery shall be prior or subsequent to February 1, 1941, such amount representing interest for one day on the purchase price of the cars at the rate of 2% per annum.

3. Car Company will give Vendee full opportunity to inspect said cars during the construction thereof at its Michigan City 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 Certificate 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 cars by a duly authorized agent upon arrival thereof at the place of delivery at St. Paul, Minnesota.

4. Car Company will deliver said cars at St. Paul, Minnesota, ready for service and free of all liens, incumbrances and claims of any nature by or in favor of any other person or party (except for freight charges to St. Paul, Minnesota, which Vendee agrees to pay) and subject only to the reservation of title thereto by Car Company in accordance with the provisions hereof. Shipment of cars will be commenced on or before January 1, 1941, and will continue at the rate of approximately twenty-five (25) cars per working day, subject, however, to delays caused by inability of Car Company to obtain necessary materials or by strikes, fires, accidents or other unavoidable causes or contingencies beyond Car Company's control.

5. Car Company shall indemnify and save harmless Vendee against all claims, suits,

actions or other proceedings, and against all expenses incurred and judgments entered in or as a result of such actions, arising in any way out of alleged infringement of patents covering said cars, or any part or appliance thereof, by reason of the construction of said cars by Car Company and their use by Vendee or others, excepting those patents covering devices and specialties designated by Vendee to be used by Car Company in the building of such cars which are not manufactured by Car Company; and Vendee, in like manner, shall indemnify and save harmless Car Company against all claims, suits, actions or other proceedings, and against all expenses incurred and judgments entered in or as a result of such actions, arising in any way out of alleged infringement of patents by reason of the use of or incorporation in said cars of any said devices or specialties, so designated by Vendee to be used by Car Company in the construction thereof, which are not manufactured by Car Company.

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. The lumber and plywood used by Car Company in constructing said cars shall be Pacific Coast fir and plywood meeting Vendee's specifications; and said lumber and plywood shall be purchased from mills tributary to Vendee's railroad, and shall be routed via said railroad to St. Paul, Minnesota, and thence via the Chicago, Burlington & Quincy Railroad Company to Chicago, Illinois.

7. All payments by Vendee hereunder shall be free of expense to Car Company 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 Car Company 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 Car Company 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 Car Company 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 Car Company 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 incumbrances; provided, however, that Vendee shall not be required to pay any tax, assessment of 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 Car Company 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.

8. Car Company 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 Car Company, 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 Car Company, but Car Company 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.

9. 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, to an amount not less than the balance of the purchase price remaining to be paid hereunder and in an insurance company or companies approved by Car Company. The policies shall specify that all payments of loss on said cars shall be made to Car Company as its interest may appear, and Vendee shall furnish evidence of such insurance satisfactory to Car Company. In case Vendee shall fail to keep such cars so insured or furnish evidence of such insurance satisfactory to Car Company, Car Company may itself insure such cars, and, in this event, Vendee shall be obligated to repay to Car Company the amount of premiums paid therefor with interest thereon at rate of 5 per cent (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 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 Car Company to be held by Car Company for the account of the Vendee pending repair or replacement of such cars by Vendee. Any such moneys remitted to Car Company shall be paid over to 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.

10. 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 Car Company an amount equal to the full unpaid balance of the purchase price remaining to be paid on such cars (any payment already received by Car Company 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 Car Company 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 Car Company 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 Car Company to declare a default hereunder and to take such action as is authorized to be taken by Car Company 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 Car Company and upon request of Car Company 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.

11. Before delivery of said cars to Vendee, Car Company will fasten upon each side of each car a metal plate bearing the following words in letters not less than one inch in height: "PULLMAN-STANDARD CAR MANUFACTURING COMPANY, OWNER" or such other words as Car Company may designate. Such plates will be so located as to be readily visible and to indicate plainly Car Company'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 law or otherwise, additional or other plates or markings shall be required to protect the interests of Car Company, Vendee shall provide and install and thereafter maintain the same on all such cars.

The cars may be lettered "GREAT NORTHERN," "G.N.," 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 Car Company or its assignee. In case Vendee shall change the number assigned to or placed on any car, immediate notice of such change shall be given to Car Company so that it may correct its records accordingly.

In the event, subsequent to the delivery of said cars, of a transfer or assignment, or successive transfers or assignments by Car Company or its assignees of title to said cars and of Car Company's rights hereunder in respect thereof, whenever requested by any such transferee or assignee, Vendee shall change the ownership plates on all the cars to indicate the title of such transferee or assignee to such cars and its succession to rights of Car Company hereunder, and the expense of making such change in plates shall be borne by the party or parties requesting such change or by Car Company.

12. 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 Car Company 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.

13. All or any of the rights of Car Company under this Contract, including the right to receive the payments herein provided to be made by Vendee, may be assigned by Car Company and reassigned by any Assignee at any time and from time to time, pro-

vided, however, that no such assignment shall subject any assignee to or relieve Pullman-Standard Car Manufacturing Company or the successor or successors to its manufacturing property and business from any of the obligations of Pullman-Standard Car Manufacturing Company as to the construction or delivery of the cars or as to any indemnity with respect thereto, or from any other duty, obligation or liability except the duty to execute necessary and proper instruments of transfer as and when Vendee shall be entitled thereto pursuant to the provisions of Section 8 hereof, and the duty to pay over to Vendee or credit on the purchase price moneys or cash remitted or deposited by Vendee as provided in Sections 9 and 10 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 Car Company'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 Car Company 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, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of Pullman-Standard Car Manufacturing Company or the successor or successors to its manufacturing properties and business in respect of the cars or the manufacture or delivery thereof, or in respect of any indemnity herein contained, and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Vendee by Pullman-Standard Car Manufacturing Company or the successor to its manufacturing business. Any and all such obligations, howsoever arising, shall be and remain enforceable by Vendee against and only against Pullman-Standard Car Manufacturing Company and the successor or successors to its manufacturing properties and business, and shall not be enforceable against any party or parties in whom title to the cars or any of them, or the rights of Car Company hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

The term Car Company whenever used in this Contract means, before any assignment of all or any rights of Car Company hereunder as hereinbefore provided in this Section 13, Pullman-Standard Car Manufacturing 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 that are retained and excluded from such assignment; and the term "Pullman-Standard Car Manufacturing 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.

14. (a) In case Vendee 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, or shall be in default under the provisions of Section 15 hereof; or shall fail or refuse to comply with any other of

the terms and covenants in this contract on its part to be kept and performed, or to make provisions satisfactory to Car Company for such compliance, and any such failure or refusal, other than a default under Section 15 hereof or a default in the payment of a monthly installment hereunder, shall continue for more than thirty (30) days after notice in writing thereof to Vendee, then, in any such case (herein sometimes called events of default) and at any time thereafter during the continuance of such default Car Company without further notice or demand except to the extent necessary in order to comply with any legal requirements then in force and applicable to such action by Car Company, may declare the entire unpaid balance of the purchase price of the cars immediately due and payable, 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 rate of five per cent (5%) per annum. Car Company 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. Car Company, may at its election, and if before sale of said cars as in paragraph 14(c) hereof provided, the Vendee shall have paid to Car Company all costs and expenses of Car Company incidental to any such default, and all sums which shall then have become due and payable by Vendee hereunder, other than that part of said purchase price as shall have become due solely because of the declaration of Car Company under this section, and shall have remedied all other existing events of default or made provision therefor satisfactory to Car Company, Car Company shall, waive any such event of default and its consequences and rescind and annul any such declaration or termination by giving notice to Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had occurred or existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect Car Company's right, upon any subsequent default, to declare the unpaid balance of said purchase price due in the manner provided in this section, or extend or affect any other default, or impair any rights or remedies consequent upon any other such default.

(b) If Vendee shall make default as hereinabove provided, then at any time thereafter during the continuance of such default, Car Company without further notice or demand except to the extent necessary in order to comply with any such legal requirements, may take or cause to be taken by its agent or agents immediate possession of the cars, or any of them, and all present and future equipment, attachments and accesories thereof, without liability to return to Vendee any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 14 expressly provided, and may remove the same from the use and possession of Vendee and for such purpose many [may] enter upon Vendee's premises where any of the cars may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of Vendee, without process of law; and Vendee shall assemble and deliver the cars, with all replacements, improvements, equipment, attachments and accessories thereof, at its own cost at such place or places on its railroad as Car Company may reasonably designate,and in case of such retaking or delivery Car Company shall have the right to store the same upon the premises of Vendee without charge until Car Company shall be able within a reasonable time to remove the same therefrom. The assembling and delivery of the cars as hereinbefore provided is of the essence of this contract between the parties and upon application to any court having jurisdiction in the premises, Car Company shall be entitled to a decree against Vendee requiring specific performance

hereof.

(c) If Vendee shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, Car Company with or without retaking possession thereof may sell the cars or any of them, and all replacements thereof, and all improvements, equipment, attachments and accessories placed thereon, free from any and all claims of Vendee, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as Car Company may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at such location and at such time or times as Car Company may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Car Company may determine in compliance with any such legal requirements, provided that written notice of such sale shall be given to Vendee at least ten (10) days prior thereto, by telegram or registered mail addressed to Vendee at its office in St. Paul, Minnesota, or such other notice, if any, as may be necessary to comply with any such legal requirements. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of Vendee to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, Car Company may itself bid for and become the purchaser of the cars, or any of them so offered for sale without accountability to Vendee (except to the extent of surplus money received as hereinafter provided in the last paragraph of this Section 14) and in payment of such purchase price Car Company shall be entitled to the extent aforesaid to have credited on account thereof all sums due to Car Company from Vendee hereunder.

(d) Each and every power or remedy hereby specifically given to Car Company shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Car Company. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others . No delay or omission of Car Company in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy , or shall be construed to be a waiver of any default, or an acquiescence therein.

(e) If Car Company shall exercise any of the powers or remedies conferred upon it hereunder, Vendee shall have the right after all sums due hereunder to Car Company shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to any of the cars, if not previously sold or otherwise disposed of by Car Company pursuant to the provisions hereof, to be transferred and assigned by Car Company to Vendee free from any further liabilities or obligations to Car Company. If after applying all sums of money realized by Car Company under the remedies herein provided, there shall remain any amount due it under the provisions of this agreement, Vendee shall pay the amount of such deficit to Car Company. If after applying as aforesaid all sums realized by Car Company there shall remain a surplus in the possession of Car Company, such surplus shall be paid to Vendee.

15. Vendee shall not assign or transfer this contract or any of its rights hereunder, or transfer or sublet the said cars or any of them without Car Company's written consent first had and obtained, and shall not 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, and shall not suffer the said cars or any of them to pass out of Vendee's control, except in the ordinary course of interchange of freight cars with connecting railway carriers.

The filing by Vendee or by creditors of Vendee of any petition for reorganization or debt adjustment affecting the obligations of Vendee under this Contract, under Section 77 of the Bankruptcy Act, or under any amendment or revision thereof, or under any other provision of the Bankruptcy Act as now or hereafter existing, or any voluntary assignment or transfer of Vendee's interest in and under this contract, or any involuntary transfer of such interest by bankruptcy, or by the appointment of a receiver or trustee, or by execution, or by any judicial or administrative decree or process, or otherwise, (unless such petition shall be dismissed or such assignment, transfer, decree or process shall within thirty (30) days from the filing or other effective date thereof, be nullified, stayed or otherwise rendered ineffective, or unless any such receiver(s) or trustee(s) shall within thirty (30) days from the date of his or their appointment adopt this contract pursuant to due authority of the court of his or their appointment) shall be deemed a breach of this contract and a default hereunder; whereupon Car Company may elect to declare the entire unpaid balance of the purchase price immediately due and payable as hereinbefore provided and may thereupon forthwith retake possession of the cars or any of them and exercise and enforce any and all other remedies as provided by Section 14 hereof.

16. Wherever provision is made in this contract for any notice or demand to or upon Vendee, or if at any time, Car Company 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 Postoffice, directed to Vendee respectively at its office or p lace 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.

17. 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.

18. Any extension of time granted by Car Company to Vendee for the payment of any sum due under this contract, shall not be deemed a waiver of the title of Car Company reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

19. Vendee shall cause this contract to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for Car Company, of Car Company'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 Car Company 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 Car Company and its assignee or assignees.

20. This contract may be simultaneously executed in twenty-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.

21. This contract of conditional sale, together with the specifications hereinabove referred to, constitutes the entire contract between Vendee and Car Company with respect to the construction, delivery and sale of the 1,000 box cars herein referred to (except as to any adjustment due to changes in specifications or drawings and to Vendee's letter of October 16, 1940, and to allowances on specialties, which are covered by Car Company's letter to Vendee dated December 23, 1940). No variation or modification of this contract and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of Vendee and Car Company.

22. 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 in the usual interchange of freight cars, but subject at all times to all terms and conditions of this contract.

23. 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, Car Company and Vendee, respectively, each 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.

PULLMAN-STANDARD CAR MANUFACTURING COMPANY,

(SEAL)

H. H. GILBERT
VICE PRESIDENT

ATTEST:

J. A. KNOWLTON
SECRETARY

Signed, sealed and delivered in the presence of:

F. MURPHY

R. J. NYMAN

GREAT NORTHERN RAILWAY COMPANY

(SEAL)

F. G. DORETY
VICE PRESIDENT.

ATTEST:

F. L. PAETZOLD
SECRETARY

Signed, sealed and delivered in the presence of:

H. V. RHEDIN

C. F. ZIEGAHN

STATE OF MINNESOTA,)
) SS
COUNTY OF RAMSEY)

I, Alpha M. Sarchet, 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 27th 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, F. G. Dorety and F. L. Paetzold, each to me personally known and known to me to be respectively a Vice President and the Secretary of Great Northern 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 F. G. Dorety and F. L. Paetzold 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 F. G. Dorety resides in the City of St. Paul, in the State of Minnesota, and that said F. L. Paetzold resides in the City of St. Paul in the State of Minnesota; that said F. G. Dorety is a Vice President and said F. L. Paetzold is the Secretary of Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said F. G. Dorety and F. L. Paetzold, 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.

ALPHA M. SARCHET
Notary Public

(SEAL)

Notary Public, Ramsey County, Minn.
My commission expires July 9th, 1942.

STATE OF ILLINOIS) SS
COUNTY OF COOK)

I, Chas. F. Walters, 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 26th 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, H. H. Gilbert and J. A. Knowlton, each to me personally known and known to me to be respectively a Vice President and the Secretary of Pullman-Standard Car Manufacturing 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 H. H. Gilbert and J. A. Knowlton 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 H. H. Gilbert resides in the City of Chicago in the State of Illinois, and that the said J. A. Knowlton resides in the Village of Oak Park in the State of Illinois; that said H. H. Gilbert is a Vice President and said J. A. Knowlton is the Secretary of Pullman-Standard Car Manufacturing Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said H. H. Gilbert and J. A. Knowlton, 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 corporations 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

(SEAL)

CHAS. F. WALTERS
NOTARY PUBLIC

My commission expires March 30, 1941

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 30th day of Dec. A. D. 1940 at 11:30 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on page 32-43, incl.

ROBERT C. ZIMMERMAN, Assistant Secy. of State

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DISSOLUTION

of

FLAG RIVER RAILWAY COMPANY

DATED NOVEMBER 17th, 1942

PREAMBLE AND RESOLUTION of the stockholders of FLAG RIVER RAILWAY COMPANY

WHEREAS, Flag River Railway Company, a corporation, was organized under the laws of the State of Wisconsin on the 2nd day of October, 1908, and was granted authority by the State of Wisconsin to exercise the powers and privileges of a corporation on the 5th day of October, 1908, and

WHEREAS, said corporation has never constructed the railroad referred to in its articles of incorporation, and is not conducting any business, and has no assets nor liabilities,

NOW THEREFORE, be it resolved by the stockholders of Flag River Railway Company that it will be for the best interests of this corporation and the stockholders thereof that this corporation be dissolved, and its corporate existence terminated, and the president or vice-president, and the secretary or assistant secretary of said corporation are hereby authorized and directed to take such steps as may be required by the laws of the State of Wisconsin to wind up the affairs of this company.

We, the undersigned, do hereby certify that we are respectively the vice-president and assistant secretary of Flag River Railway Company, a corporation; that the foregoing preamble and resolution were duly adopted by the share holders of the said corporation at a special meeting thereof, duly held and called on the 14th day of November, 1942, at the City of Superior, County of Douglas, and State of Wisconsin; that there are outstanding a total of seventy-five (75) shares of stock of the said corporation; that there were present and voting at said meeting the owners and holders of more than two-thirds (2/3) of the shares of stock of said corporation, to-wit: the owners and holders of sixty-nine (69) of said shares; that said sixty-nine (69) shares voted unanimously in the affirmative upon the passage of the foregoing resolution for the dissolution of said corporation.

We further certify that the foregoing preamble and resolution have been spread on the minute book of the corporation and now form a part of the corporate records.

Dated: Minneapolis, Minnesota, this 17th day of November, 1942.

S. G. PERSEN
Vice-President

M. J. CROWE
Assistant Secretary

(Seal)

STATE OF WISCONSIN
DEPARTMENT OF STATE SS

Received this 20th day of November, A. D. 1942 at 9 o'clock A.M. and recorded in Vol. 38 of R. R. Mtgs. on page 44.

AUGUST E. SMITH
Assistant Secretary of State

Index 3 & 8 C

AGREEMENT OF ASSIGNMENT

Between

BETHLEHEM STEEL COMPANY
and
THE NATIONAL BANK OF COMMERCE OF SEATTLE

ASSIGNING

CONDITIONAL SALE CONTRACT OF AUGUST 13, 1942

Between

BETHLEHEM STEEL COMPANY, Seller

And

GREAT NORTHERN RAILWAY COMPANY, Buyer

DATED NOVEMBER 2, 1942

AGREEMENT, dated November 2, 1942, between BETHLEHEM STEEL COMPANY, a corporation duly organized and existing under the laws of the State of Delaware, hereinafter sometimes referred to as the "Manufacturer," party of the first part, and THE NATIONAL BANK OF COMMERCE OF SEATTLE, a national banking association duly organized and existing under the laws of the United States, hereinafter sometimes referred to as the "Bank," party of the second part:

WHEREAS the Manufacturer and Great Northern Railway Company, hereinafter referred to as the "Railroad," have entered into a Conditional Sale Agreement, dated August 13, 1942, covering five hundred (500) all steel ore cars of seventy-five (75) tons capacity each (hereinafter sometimes referred to as the "Equipment"), all as more particularly described therein, for the aggregate price of One Million Five Hundred Fifty-One Thousand Dollars ($1,551,000), payable in installments, with interest, as therein provided;

NOW THEREFORE

KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Million One Hundred Sixty-three Thousand Two Hundred Fifty Dollars ($1,163,250), plus accrued interest, paid by the Bank to the Manufacturer after completion of the delivery of the Equipment to and the acceptance thereof by the Railroad and at or before the ensealing and delivery hereof, the receipt of which from the Bank the Manufacturer hereby acknowledges, and 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 the right, title and interest of the Manufacturer in and to the 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 Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with any of the provisions of, said Conditional Sale Agreement; provided, however, that this assignment shall not pass, 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 obligation to manufacture and deliver the Equipment, and its guaranty obligations, it being understood and agreed that notwithstanding this assignment all obligations of the Manufacturer to the Railroad in respect of the Equipment and its manufacture and delivery shall be and remain enforceable by the Railroad, its 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~~ 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 Railroad under said Conditional Sale Agreement in respect of the Equipment described therein.

2. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of 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 at the time of the delivery of each item of the Equipment by the Manufacturer to the Railroad it was free from all liens and encumbrances other than said Conditional Sale Agreement and the title and rights reserved thereby and that no other lien or encumbrance has since been created thereon by, through or under the Manufacturer; that the Manufacturer has good and lawful right to sell said Equipment and rights as aforesaid; and that the Manufacturer will warrant and defend the same against the demands of all persons whomsoever based on claims originating prior to the delivery of said Equipment by the Manufacturer to the Railroad; all subject, however, to the provisions of the aforesaid Conditional Sale Agreement and the rights of the Railroad thereunder.

3. The Manufacturer covenants and agrees with the Bank that in any suit or action brought by the Bank under said Conditional Sale Agreement for any installment of the purchase price of the Equipment, 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 Railroad arising out of a breach by the Manufacturer of any of the Manufacturer's obligations respecting any of said Equipment, its manufacture and delivery, under the terms and conditions of said Conditional Sale Agreement, provided that the Manufacturer is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 placed upon any of the Equipment by the Manufacturer, except with regard to any appliances, devices or materials specified by the Railroad and not manufactured by the Manufacturer.

4. The Manufacturer warrants that it has delivered to the Railroad metal plates, suitable for ready attachment on both sides of each unit of said Equipment, plainly and conspicuously marked as follows:

"The National Bank of Commerce of Seattle,
Owner by assignment from Bethlehem Steel
Company, Vendor."

5. All rights and obligations hereunder shall be governed by the laws of the State of Minnesota.

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 their 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 and year first above written.

BETHLEHEM STEEL COMPANY,

SEAL

By R. E. McMath
Vice-President.

Attest:
W. M. Driver
Assistant Secretary.

Signed, sealed and delivered as to
Bethlehem Steel Company, in the presence of:

B. D. Broeker
J. Hertz
Witnesses

THE NATIONAL BANK OF COMMERCE OF SEATTLE,

SEAL

By Bruce C. Shorts
Vice-President.

Attest:
C. O. Ousdahl
Cashier

Signed, sealed and delivered as to The
National Bank of Commerce of Seattle in
the presence of:

P. Stell (?)
F.F.Hemer (?)
Witnesses

COMMONWEALTH OF PENNSYLVANIA,)
COUNTY OF NORTHAMPTON,) SS:

I, Norma E. Walters, a Notary Public in and for the Commonwealth 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 2nd day of November, A. D. 1942, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Bethlehem Steel Company to the within and foregoing instrument, R. E. McMath and W. M. Driver, each to me personally known and known to me to be respectively a Vice President and an Assistant Secretary of the Bethlehem Steel 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said R. E. McMath and W. M. Driver, 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 R. E. McMath resides in the City of Bethlehem, and Commonwealth of Pennsylvania, and that the said W. M. Driver resides in Friedensville and Commonwealth of Pennsylvania; that said R. E. McMath is a Vice President and said W. M. Driver is an Assistant Secretary of the Bethlehem Steel Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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 Assistant 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 Northampton, Commonwealth of Pennsylvania, this the day and year in this my certificate first above written.

(SEAL)

Norma E. Walters
NOTARY PUBLIC
My Commission Expires
Jan. 7, 1945

STATE OF WASHINGTON,)
COUNTY OF KING,) SS.:

I, Agnes Holland, 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 12th day of November, A. D. 1942, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to The National Bank of Commerce of Seattle to the within and foregoing instrument, Bruce C. Shorts and C. O. Ousdahl, each to me personally known and known to me to be respectively a Vice President and the Cashier of The National Bank of Commerce of Seattle, 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said Bruce C. Shorts and C. O. Ousdahl, 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 Bruce C. Shorts resides in the City of Seattle and State of Washington, and that the said C.O.Ousdahl resides in the City of Seattle and State of Washington; that said Bruce C. Shorts is a Vice President and said C. O. Ousdahl is Cashier of The National Bank of Commerce of Seattle, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Cashier, 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 and each of them signed their names to the foregoing instrument in their respective capacities as Vice President and Cashier 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 King, State of Washington, this the day and year in this my certificate first above written.

(SEAL)

Agnes Holland
NOTARY PUBLIC
My Commission Expires 11-22-44

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 27th day of Nov. A. D. 1942 at 9 o'clock A.M. and recorded in Vol. 38 of R. R. Mtgs. on pages 45-48.

August E. Smith
Assistant Secretary of State

18 Counterparts
No. 18

Inlet 158-A

SECOND SUPPLEMENT
TO
EQUIPMENT LEASE AND AGREEMENT OF APRIL 1, 1941
Series "V"
BETWEEN
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
DATED NOVEMBER 13, 1942

- - - - - - - - - - - -

SECOND SUPPLEMENT, dated November 13, 1942, TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1941, 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.

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 an Agreement, dated April 1, 1941, between V. P. Nelson and Paul B. Robb, Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series V, and providing for the issue of Equipment Trust Certificates, not exceeding in aggregate principal amount of $3,120,000; 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 upon written request 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 thereunder, execute and deliver a Bill of Sale, assigning and transferring to the purchaser named by the Railroad Trustees, the absolute title to such trust equipment; and

WHEREAS, pursuant to said provision of the Lease, the Trustee has assigned and transferred to the United States of America, title to Diesel Locomotives Nos. 1678 and 1679, and has received therefor a cash consideration of $175,000; and

WHEREAS, pursuant to further provisions of said Lease, the Railroad Trustees have requested the Trustee to purchase, and the Trustee has purchased, other new, standard gauge, railroad rolling stock, free from liens, in lieu of the equipment assigned and transferred by the Trustee to the United States of America;

NOW, THEREFORE, this Second Supplement to said Lease
WITNESSETH:

1. The description in the Lease of railroad equipment, dated as of April 1, 1941, and Supplement thereto dated March 2, 1942, 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 deletion therefrom of the following:

2-1000 H.P., Diesel switch and road service locomotives, Nos. 1678 and 1679

and by the addition thereto of the following:

2-1000 H.P., Diesel switching locomotives, Nos. 1682 and 1683.

2. The Railroad Trustees covenant that, with all convenient speed after the execution hereof, they will cause this Second Supplement to Lease 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 Lease and said Agreement 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 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 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, and the Railroad Trustees have hereunto set their hands and seals, all as of the day and year first above written.

(SEAL) CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

By F. E. Musgrove,
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:

E. J. Friedrich
C. B. Moore
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
Howard A. Florus
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 13th day of November, 1942, 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 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, 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 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 F. E. MUSGROVE resides in the City of Chicago, in the State of Illinois, and that said R. W. SWEZEY resides in the City of Park Ridge, in the State of Illinois; and that F. E. MUSGROVE is a Vice President and said R. W. SWEZEY 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 R. W. SWEZEY, 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, 1944.

H. J. Groener
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 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 25th day of November 1942.

(SEAL) Michael J. Flynn
County Clerk.

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

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 the 10th day of November, 1942, 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 July 21, 1943.

(SEAL)

J. M. Jarmotz
Notary Public in and for 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 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 25 day of November, 1942.

(SEAL) MICHAEL J. FLYNN County Clerk

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 28th day of Nov. A. D. 1942 at 9 o'clock A.M. and recorded in Vol. 38 of R. R. Mtgs. on pages 49-51.

August E. Smith
Assistant Secretary of State

Interest 29

C & N.W. Ry. Co.

ASSIGNMENT OF EQUIPMENT UNDER AGREEMENT OF JANUARY 20, 1925

BY

UNITED STATES TRUST COMPANY OF NEW YORK

TO

CHARLES M. THOMSON
TRUSTEE OF THE PROPERTY OF

CHICAGO & NORTH WESTERN RAILWAY COMPANY

DATED NOVEMBER 4, 1942

- - - - - - - - - - - - -

Whereas, under date of January 20, 1925, an agreement was entered into by and between John D. Caldwell, Lewis A. Robinson, Arthur B. Jones and Walter E. Dunham, as Vendors, of the first part, United States Trust Company of New York, as Trustee, of the second part, and the Chicago and North Western Railway Company, of the third part, known as the "Chicago and North Western Railway Company Equipment Trust Agreement of 1925," 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 Trustee, and the issuance by said Trustee of equipment trust certificates in an amount not to exceed seventy-five per cent (75%) of the cost thereof, and the leasing of said equipment by said Trustee to said Railway Company; and

Whereas, under date of October 1, 1927, said Trustee leased to said Railway Company for the term of fifteen (15) years from October 1, 1927, certain equipment which had been acquired by said Vendors and transferred to said Trustee under said Trust Agreement, described as follows:

Number of Vehicles	Description	Marked	Numbered
8	70-ft. steel Baggage cars	C.& N.W. Ry. Co.	8754 to 8761, inclusive
3	70-foot steel Combination Baggage and Passenger cars	"	7415, 7416, 7417
4	80-ft. steel Dining cars	"	6932 to 6935, inclusive
77	70-ft. steel and aluminum Suburban coaches	"	5000 to 5076,inclusive
500	70-ton steel Hopper cars	"	60001 to 60999,inclusive (Odd numbers only)

all of which equipment was represented by equipment trust certificates, Series "S", issued pursuant to said Trust Agreement; and

Whereas, it was provided in said Lease that upon its termination and the performance by the Railway Company of its covenants and obligations thereunder, the said Trustee should convey and transfer to it all of the equipment covered thereby, which should thereafter be the absolute property of said Railway Company; and

Whereas, since June 28, 1935, the Railway Company has been and now is being operated under the jurisdiction of the District Court of the United States for the Northern District of Illinois, Eastern Division, pursuant to orders entered in the proceeding entitled "In the Matter of Chicago and North Western Railway Company, Debtor" Docket No. 60448; and

Whereas, by order No. 313 of said Court, entered May 22, 1939, in said proceeding, Charles M. Thomson was appointed Trustee of the property of Chicago and North Western Railway Company, succeeding Charles P. Megan, previously duly appointed and acting in that capacity; and

Whereas, by order No. 334 of said Court, entered July 14, 1939, in said proceeding, all of the property, real, personal and mixed, of every kind and nature whatsoever of the Chicago and North Western Railway Company was vested in Charles M. Thomson as such Trustee, effective July 20, 1939; and

Whereas, on July 20, 1939, said Charles M. Thomson entered upon his duties as such Trustee and became vested with and now holds, as such Trustee, title to all of the property, real, personal and mixed, of every kind and nature whatsoever of Chicago and North Western Railway Company; and

Whereas, said Lease has now been terminated, said Railway Company, said Charles P. Megan, as such Trustee, and said Charles M. Thomson, as such successor Trustee, have fully performed all of the Railway Company's covenants and obligations thereunder, and all of the said equipment trust certificates, Series "S", have now been paid, retired and canceled, and the trust estate of said Railway Company is now entitled to have the said equipment covered thereby conveyed and transferred to it by said United States Trust Company of New York, Trustee, so as to become its absolute property and be held by it free from any right or interest of said Trustee or the holders of said equipment trust certificates therein;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, That, in consideration of the premises and of the sum of One Dollar ($1.00) to it in hand paid, the receipt whereof is hereby acknowledged, the said United States Trust Company of New York, as such Trustee, does hereby convey, assign, transfer and set over to said Charles M. Thomson, as Trustee of the property of Chicago and North Western Railway Company, his successor or successors, all of the above described equipment, and all of its right, title and interest therein.

IN WITNESS WHEREOF, the said United States Trust Company of New York, as Trustee, has caused these presents to be signed by its Asst. Vice President and its corporate seal to be hereunto affixed, and attested by its Asst. Secretary, this 4th day of November, A. D. 1942.

UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee

(SEAL)

By H. L. Smithers
Asst. Vice President.

Attest:

F. G. von Kummer
Asst. Secretary.

Witnesses:
E. Witting
C. J. Paine

STATE OF NEW YORK)
CITY AND COUNTY OF NEW YORK) SS

I, EDWARD A. MOELLER, 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 4th day of November, in the year 1942, before me, the subscriber, personally appeared H. L. Smithers and F. G. von Kummer, Asst. Vice President and Asst. Secretary, respectively, of United States Trust Company of New York, a corporation, and on said same day also appeared before me by its said officers, the said United States Trust Company of New York, being known to me to be the corporation whose name is subscribed to the foregoing instrument, and which executed the same; that said H. L. Smithers and F. G. von Kummer are personally known to me and are known to me to be the Asst. Vice President and Asst. Secretary, respectively, of said United States Trust Company of New York, and the identical persons whose names are subscribed to the foregoing instrument as Asst. Vice President and Asst. Secretary of said corporation; that said H. L. Smithers and F.G.von Kummer then and there severally acknowledged that they signed, sealed and delivered the foregoing instrument as the Asst. Vice President and Asst. Secretary of said United States Trust Company of New York, and in behalf of said corporation and by order of its Board of Trustees, and that they were Asst. 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 United States Trust Company of New York, and was affixed to said instrument on behalf of said corporation, and by order of its Board of Trustees; and I further certify that said H. L. Smithers and F. G. von Kummer then and there severally acknowledged that they executed said instrument as their free and voluntary act and deed as such Asst. Vice President and Asst. Secretary, respectively, and as the free and voluntary act and deed of said United States Trust Company of New York, and for the uses and purposes in said instrument set forth.

And at the same time said H. L. Smithers and F. G. von Kummer being by me severally and duly sworn, did severally depose and say that they resided, the said H. L. Smithers in Maplewood, N. J. and the said F. G. von Kummer in Tarrytown, N. Y., and that said United States Trust Company of New York is a corporation; that they are and at the time of the execution of the foregoing instrument were the Asst. Vice President and Asst. Secretary, respectively, of said United States Trust Company of New York, 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 Asst. Vice President and Asst. Secretary, respectively, of said corporation and in its behalf, and by order of its Board of Trustees; and that the seal affixed to said instrument is the seal of said United States Trust Company of New York and was so affixed by them by order of the Board of Trustees of said corporation.

And I further certify that I know the seal affixed to the foregoing instrument to be the corporate seal of said United States Trust Company of New York, and that said instrument is executed and acknowledged according to and in conformity with the laws of the State of New York.

IN TESTIMONEY 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 4th day of November A. D. 1942.

(SEAL)

Edward A. Moeller
Notary Public acting for the City and County of New York in the State of New York

EDWARD A. MOELLER
Notary Public, Kings County
Kings Co. Clk's No.550,Reg.No.3141
N.Y.Co.Clk's No.327,Reg.No.3M233
Commission expires March 30,1943

State of New York,)
County of New York) ss.:

No. 82704

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, the same being a Court of Record having by law a seal DO HEREBY CERTIFY, that Edward A. Moeller whose name is subscribed to the annexed deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUELIC 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 a 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 or 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, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the said annexed instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 6 day of Nov. 1942.

Archibald R. Watson
County Clerk and Clerk of the Supreme Court, New York County

(SEAL)

STATE OF WISCONSIN)
DEPARTMENT OF STATE)SS

Received this 28th day of Nov. A. D. 1942 at 9:10 o'clock A. M. and recorded in Vol. 38 of R. R. Mtgs. on pages 52-54.

Fred R. Zimmerman
Secretary of State

Folder 300-A

BILL OF SALE

THE NORTHERN TRUST COMPANY

TO

CHICAGO, NORTH SHORE AND MILWAUKEE RAILROAD COMPANY

CERTAIN EQUIPMENT MENTIONED IN LEASE AGREEMENT OF APRIL 2, 1923

DATED DECEMBER 9, 1942

* * * * * * * * * * * * * *

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, That

WHEREAS, under and by virtue of the terms of a certain agreement dated April 2, 1923, between Harold H. Rockwell, The Northern Trust Company, Trustee, and Chicago North Shore and Milwaukee Railroad, which agreement is commonly known as Chicago North Shore and Milwaukee Railroad Company Equipment Trust, Series "D", said The Northern Trust Company, as Trustee, became the owner as assignee of said Harold H. Rockwell of certain rolling stock and equipment described in lease of same date between said Harold H. Rockwell and said Chicago North Shore and Milwaukee Railroad; and

WHEREAS, the rentals and other payments required to be made by said Chicago North Shore and Milwaukee Railroad have in fact by it or its successors in interest been made subject to certain modifications as to interest after final maturity consented to by the holders of Equipment Trust Certificates issued under the Equipment Trust Indenture.

NOW, THEREFORE, said The Northern Trust Company, of Chicago, Cook County, Illinois, as Trustee as aforesaid, party of the first part, for and in consideration of the sum of One Dollar ($1) lawful money of the United States of America to it in hand paid at or before the ensealing and delivery of these presents by A. A. Sprague and Bernard J. Fallon, as Receivers of Chicago North Shore and Milwaukee Railroad Company, successor to said Chicago North Shore and Milwaukee Railroad, parties of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold and delivered, and by these presents does grant, bargain, sell and deliver unto the said Chicago, North Shore and Milwaukee Railroad Company, all the following goods, chattels and property, to-wit:

Ten (10 -- 50'-0" Double Truck Merchandise Despatch Motor Cars completely equipped with two Westinghouse No. 557-R-5 Motors, H.L.F. Double End Control, Westinghouse Traction Brake Company's A.M.U. Double End Air Brakes and Baldwin No. 78-35-A-A Trucks, Said cars being numbered 230 to 239, both inclusive.

One (1) -- 50'-0" Double Truck Crane Motor Car completely equipped with four Westinghouse No. 557-R-5 Motors, H.L.F. Double End Control, Westinghouse Traction Brake Company's A.M.U. Double End Air Brakes and Baldwin No. 78-35-A-A Trucks. Said car being numbered 607.

Ten (10) -- 55'-3¼" Double Truck Interurban Passenger Motor Cars completely equipped with four Westinghouse No. 557-R-5 Motors, Double End, H.L.F. Control, Westinghouse Traction Brake Company's A.M.U. Double End Air Brakes and Baldwin No. 84-30-A-A Trucks. Said cars being numbered 707 to 716, both inclusive.

One (1) -- 600 Volt 50 Ton Freight Locomotive equipped with four General Electric No. 257 Motors, Double End Control, General Electric Combined Automatic and Straight Air Brakes and General Electric Trucks. Said locomotive being numbered 454.

Fifteen (15) -- 100,000 pound capacity Solid Bottom Composite Gondola Cars completely equipped with Westinghouse Air Brakes and M.C.B. Trucks. Said cars being numbered 5000 to 5014, both inclusive.

being all of the goods, chattels and property in said lease agreement of April 2, 1923 described, except the twenty (20) -- 100,000 pound capacity all steel Drop Bottom Gondola Cars completely equipped with sixteen Drop Doors, Westinghouse Air Brakes and M.C.B. Trucks, said cars being numbered 6000 to 6019, both inclusive, which have heretofore been disposed of as salvage and the net proceeds thereof applied to the indebtedness of the aforementioned railroad under said Equipment Trust Agreement of April 2,1923.

TO TO HAVE AND TO HOLD the said goods, chattels and property unto the said Chicago North Shore and Milwaukee Railroad Company, its successors and assigns, to and for its own proper use and behoof, forever.

AND the said party of the first part does vouch itself to be the true and lawful owner of said goods, chattels and property, and have in itself full power, good right and lawful authority as Trustee under said Equipment Trust Agreement of April 2, 1923 to dispose of said goods, chattels and property in manner as aforesaid: And it does hereby for itself and its successors and assigns transfer and assign to said Chicago North Shore and Milwaukee Railroad Company, its successors and assigns all interest, claims and demands whatsoever which it holds by virtue of the aforesaid Equipment Trust Agreement, as assignee of the aforesaid lease, and it does hereby release said Chicago North Shore and Milwaukee Railroad Company, its successors and assigns, from any and all further liability of any kind or nature under said Equipment Trust Agreement of April 2, 1923 and said lease of the same date.

The Northern Trust Company executes this instrument not personally but as Trustee as aforesaid, and is not to be held liable in its individual capacity in any way by reason of the same.

IN WITNESS WHEREOF, said The Northern Trust Company has caused its proper officers to duly execute the within instrument in several 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, and has caused its corporate seal to be hereunto affixed, duly attested, the 9th day of December 1942.

SEAL

THE NORTHERN TRUST COMPANY, as Trustee as aforesaid

By S. A. WEAVER
Vice-President

ATTEST:
W. H. BELL
Assistant Secretary

STATE OF ILLINOIS SS
COUNTY OF COOK

I, NORMAN KREPPEL a Notary Public of the State of Illinois, duly authorized, commissioned and qualified to act as a Notary Public in and for the County of Cook and State of Illinois aforesaid, DO HEREBY CERTIFY that S. A. Weaver Vice-President of the above named The Northern Trust Company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice-President and to be such Vice-President, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act as such Vice-President, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 9th day of December, 1942.

Norman Kreppel
Notary Public, Cook County, Illinois
My Commission expires March 25, 1946.

(SEAL)

STATE OF WISCONSIN SS
DEPARTMENT OF STATE

Received this 21st day of December A. D. 1942 at 10 o'clock A.M. and recorded in Vol. 38 of R. R. Mtgs. on pages 55-56. ✓

August E. Smith
Assistant Secretary of State

Index 118-D

A G R E E M E N T

Covering Conditional Sale Agreement of December 2, 1941
with
General American Transportation Corporation

By and Between

THE FIRST NATIONAL BANK OF CHICAGO
and
GREAT NORTHERN RAILWAY COMPANY

DATED, DECEMBER 11TH, 1942

- - - - - - - - - - -

THIS AGREEMENT entered into this 11th day of December, 1942, by and between

GREAT NORTHERN RAILWAY COMPANY

a corporation organized and existing under and by virtue of the laws of the State of Minnesota, (hereinafter sometimes called the "Railway Company"), and

THE FIRST NATIONAL BANK OF CHICAGO

a national banking association having its principal office and place of business in the City of Chicago, (hereinafter sometimes referred to as the "Bank"),

W I T N E S S E T H T H A T:

WHEREAS, the Railway Company heretofore, under date of December 2, 1941, entered into a certain Conditional Sale Agreement (hereinafter referred to as the "Conditional Sale Agreement"), with GENERAL AMERICAN TRANSPORTATION CORPORATION, pursuant to the provisions of which General American Transportation Corporation conditionally sold and the Railway Company conditionally purchased -

Five Hundred (500) 40'6" 50 ton capacity double sheathed wood box cars to bear Railroad's Road Numbers 45,000 to 45,499, both inclusive, to be built in accordance with Railroad's Specifications Number 440, revised as of May 19, 1941, General Arrangement Drawing Number 28877, dated May 19, 1941, and the Railroad's letter of June 6, 1941, detailing specialties to be applied to the said box cars, copies of which Specifications, Drawing and letter are located in the Railroad's main office at St. Paul, Minnesota,

(which are sometimes hereinafter referred to as the "Cars"), which said Conditional Sale Agreement obligated the Railway Company to pay as the purchase price of each delivered car, the sum of THREE THOUSAND TWO HUNDRED EIGHT DOLLARS AND FIFTY CENTS ($3,208.50) together with interest on the balance of said sum remaining from time to time unpaid at the rate of Two percent (2%) per annum, said principal sum to be paid as follows:

The sum of SIX HUNDRED FORTY ONE DOLLARS AND SEVENTY CENTS ($641.70) in cash upon delivery and the aggregate balance of the purchase price of said cars, including interest, to be payable in equal monthly installments of FIFTEEN THOUSAND TWO HUNDRED EIGHT DOLLARS AND THIRTY THREE CENTS ($15,208.33) on the first day of each calendar month thereafter,

and which said Conditional Sale Agreement further provided that title to said cars should remain in General American Transportation Corporation, or its assignee, until full payment of the purchase price above mentioned and performance of other conditions therein contained, and which said Conditional Sale Agreement was recorded in the various states and counties as shown in Exhibit A which is attached hereto and hereby made a part hereof, and

WHEREAS, all of the cars covered by such Conditional Sale Agreement were so delivered, the delivery dates determined and the principal installments due through December 1, 1942, paid, together with interest to that date, leaving a total unpaid principal purchase price of ONE MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND TWO HUNDRED THIRTY THREE DOLLARS AND FORTY TWO CENTS ($1,178,233.42) which pursuant to the terms of said Conditional Sale Agreement is payable in monthly installments of FIFTEEN THOUSAND TWO HUNDRED EIGHT DOLLARS AND THIRTY THREE CENTS ($15,208.33) on the first day of

January, 1943, and successive months to and including November 1, 1949, and a final installment of THREE HUNDRED SIXTEEN DOLLARS AND FORTY TWO CENTS ($316.42) on December 1, 1949, including interest at the rate of two percent (2%) on the diminishing principal balance, and

WHEREAS, under date of April 28, 1942, General American Transportation Corporation assigned and transferred to the Bank all of its rights, title and interest in and to the said cars, as well as all sums due and to become due pursuant to said Conditional Sale Agreement as the purchase price of said cars or otherwise, which said assignment was recorded in the various states and counties as shown in Exhibit A, and

WHEREAS, the parties hereto do nowdesire to provide for a partial prepayment of the unpaid balance of the purchase price of said cars, arrange for an increase in the amount of the successive monthly installments and provide for their payment as of the sixteenth (16th) rather than the first (1st) day of each month, and to further evidence said purchase price obligation by the delivery by the Railway Company to the Bank of a promissory note, but without in any way releasing or otherwise affecting the Bank's retention of title to said cars, or otherwise altering or amending any of the terms or provisions of said Conditional Sale Agreement.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT: in consideration of the premises, the partial prepayment herein provided for and the covenants and agreements herein contained, the parties do hereby covenant and agree as follows:

1. The Conditional Sale Agreement is hereby amended by the deletion of the second full paragraph of Section 2 of said Conditional Sale Agreement and the substitution in lieu thereof of the following, to-wit:

"The Buyer acknowledges receipt of the entire 500 cars and promises to pay as the principal purchase price thereof the sum of ONE MILLION SIX HUNDRED FOUR THOUSAND TWO HUNDRED FIFTY DOLLARS ($1,604,250.00), of which Seller acknowledges FOUR HUNDRED TWENTY SIX THOUSAND SIXTEEN DOLLARS AND FIFTY EIGHT CENTS ($426,016.58) has been paid as of December 1, 1942, leaving an unpaid principal balance ONE MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND TWO HUNDRED THIRTY THREE DOLLARS AND FORTY TWO CENTS ($1,178,233.42). The Buyer promises to pay said sum of ONE MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND TWO HUNDRED THIRTY THREE DOLLARS AND FORTY TWO CENTS ($1,178,233.42) as aforesaid, together with interest thereon at two percent (2%) per annum, as follows:

a - On December 16, 1942, and on the 16th day of each and every succeeding month to and including the 16th day of September, 1949, the principal sum of FIFTEEN THOUSAND THREE HUNDRED DOLLARS ($15,300.00) and

b - on the 16th day of October, 1949, the sum of SIX THOUSAND THREE HUNDRED THIRTY SEVEN DOLLARS AND SIXTY NINE CENTS ($6,337.69).

Each of said monthly payments shall be applied first to interest then accrued and unpaid at the rate of two percent (2%) per annum from the 1st day of December, 1942, on the unpaid balance of said principal sum and then in reduction of the unpaid balance of said principal sum."

2. a - In order to further evidence the Railway Company's indebtedness created and evidenced by the Conditional Sale Agreement as the same is hereby amended, for the purchase price of the cars so conditionally sold, the Railway Company is simultaneously with the execution hereof, executing and delivering to the Bank that certain promissory note of the Railway Company in said principal sum of ONE MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND TWO HUNDRED THIRTY THREE DOLLARS AND FORTY TWO CENTS ($1,178,233.42) in substantially the form of that attached hereto as Exhibit B. The Bank agrees that all partial payments of the purchase price indebtedness shall correspondingly reduce said indebtedness as evidenced by said Conditional Sale Agreement as hereby amended and shall likewise be endorsed upon said note.

b - The Bank hereby acknowledges receipt of the aforementioned note as further evidence of the Railway Company's obligation to pay the purchase price of the cars so conditionally sold and agrees that it will not assign or transfer its interest in said Conditional Sale Agreement, as amended hereby, or in said cars, without transferring the said promissory note to the said party or parties, that it will not endorse, transfer or assign said promissory note without also assigning its interest in said Conditional Sale Agreement, as hereby amended, including its title to said cars, to the same party or parties , nor without first obtaining from such endorsee, transferee or assignee an agreement that he or it will accept or be bound by such of the provisions of said Conditional Sale Agreement, as hereby amended, as have been assumed by the Bank, and that likewise he or it will not endorse, transfer or assign said note or said Conditional Sale Agreement, as amended, without obtaining a like agreement from his or its endorsee, transferee or assignee.

3. a - Parties expressly acknowledge and agree that said note is not executed, delivered nor accepted in payment of the indebtedness or obligation of the Railway Company for the payment of the purchase price of said cars, but solely as further evidence of said indebtedness. The parties further acknowledge, covenant and agree that neither the amendment of said Conditional Sale Agreement nor the execution, delivery or acceptance of said note shall in any way impair or otherwise affect the title of the Bank in and to said cars, Said title (subject only to the rights of the Railway Company to obtain a transfer thereof in the event of the full payment of the purchase price and performance of other obligations, all as provided in said Conditional Sale Agreement as hereby amended) is hereby expressly confirmed and acknowledged.

b. - The said Conditional Sale Agreement, except as is expressly hereinbefore amended by Section 1 hereof, is in all respects ratified, confirmed and continued in effect.

4. The Railway Company hereby represents and warrants that the execution of this Agreement and the issuance of said note have been authorized and approved by the Interstate Commerce Commission by order dated December 10, 1942, and by the Board of Directors of the Railway Company

5. The Railway Company agrees to cause this agreement to be filed, registered and recorded in each of the states and counties wherein said Conditional Sale Agreement and said Assignment have heretofore been recorded, as evidenced by Exhibit A, and in such other places as may be required by counsel for the Bank.

6. This agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original and each counterpart together shall constitute but one and the same instrument which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the Railway Company and the Bank respectively have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed and duly attested as of the day first hereinabove written.

(SEAL)

GREAT NORTHERN RAILWAY COMPANY

By F. G. DORETY
Vice-President

ATTEST:

F. L. PAETZOLD
Secretary

Signed, sealed and delivered by

GREAT NORTHERN RAILWAY COMPANY

in the presence of:

H. V. RHEDIN

C. F. ZIEGAHN
ATTESTING WITNESSES

THE FIRST NATIONAL BANK OF CHICAGO

(SEALO

By J. L. BUCHANAN
Vice-President

ATTEST:

ELLERTON A. LODGE
Assistant Cashier

Signed, sealed and delivered by

THE FIRST NATIONAL BANK OF CHICAGO

in the presance of:

PATRICIA SULLIVAN

EDWARD F. HORAN
ATTESTING WITNESSES

EXHIBIT "A"

	CONDITIONAL SALE AGREEMENT		ASSIGNMENT	
STATE AND COUNTY OFFICE OF FILING OR RECORDATION	D A T E	RECORDING DATA	D A T E	RECORDING DATA
Secretary of State State of Minnesota	12/17/41	Recorded in Book 25 of Gen. Railroad Records, on Page 47.	5/8/42	Recorded in Book 25 of Railroad Records on Page 67.
Register of Deeds Ramsey County, State of Minnesota	12/12/41	Recorded in Book 203 of Miscellaneous, Page 555.	5/8/42	Recorded in Book 206 of Miscellaneous, Page 481, #1009456.
Secretary of State State of Wisconsin	12/12/41	Recorded in Vol. 35 of Railroad Mortgages, Pages 528-540	5/2/42	Recorded in Railroad Equip. Cont. Vol. 1, Page 12, Railroad Index Vol. 2, Page 228-C and Filed: Folder G-786.70 Doc. 22.
Secretary of State State of Iowa	12/15/41	Original counterpart filed	5/6/42	Recorded in File No. 833-Receipt No. 547.
Secretary of State State of North Dakota	12/12/41	Recorded in Vol. 5 of Railroad, Telegraph & Telephone, Page 445.	5/1/42	Recorded in Vol. 6 of Railroad Telegraph & Telephone, Page 46.
Secretary of State State of South Dakota	12/13/41	Recorded in Vol. 14 on Page 271, Record Railway Deeds, Mortgages and Leases.	5/6/42	Receipt No. 93038-J.
Secretary of State State of Montana	12/18/41	Recorded in Vol. 13 of Mortgages, Page 62 et seq.	5/1/42	Filed in Foreign Corp. Doc. File No. 37458 & recorded in Vol.13 of Mortgages, Page 118 et seq.
Secretary of State State of Idaho	12/15/41	Original counterpart filed and recorded in Railway equipment Book 3, Pages 178 to 184, inc.	5/2/42	Recorded in Railway Equipment Book No. 3, Pages 243 to 246, incl. Receipt #93077.
County Auditor King County, State of Washington	12/13/41	Recorded in Vol. 1751 of Mortgages, Page 92.	5/16/42	Recorded in Vol. 1785 of Mortgages, Page 545
County Clerk Multnomah County State of Oregon	12/15/41	Recorded in Book 637 of Mortgages Page 356	5/14/42	Recorded in Book 660, Page 411

EXHIBIT "A" - CONTINUED

	CONDITIONAL SALE AGREEMENT		ASSIGNMENT	
STATE AND COUNTY OFFICE OF FILING OR RECORDATION	D A T E	RECORDING DATA	D A T E	RECORDING DATA
Secretary of State State of California	12/13/41	Recorded in Vol. VI, Pages 194 to 198, incl., of "Record of Contracts for Conditional Sale of Railroad & Street Railway Equipment & Rolling Stock and of Declarations of Payment and Performance.	5/4/42	Recorded Vol. VI at Page 259 of "Record of Contracts for Conditional Sale of Railroad & Street Railway Equipment & Rolling Stock and of Declarations of Payment and Performance.

EXHIBIT "B"

Chicago, Ill., December 11, 1942.

FOR VALUE RECEIVED, GREAT NORTHERN RAILWAY COMPANY, (hereinafter called the "Railway Company"), promises to pay to The First National Bank of Chicago, (hereinafter called the "Bank"), at the office of said The First National Bank of Chicago, Chicago, Illinois, in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the principal sum of One Million One Hundred Seventy-eight Thousand Two Hundred Thirty-three and 42/100 Dollars ($1,178,233.42) together with interest upon the balance thereof remaining unpaid from time to time at the rate of two per cent. (2%) per annum, said principal and interest to be payable at the following times, to-wit:

The sum of Fifteen Thousand Three Hundred Dollars ($15,300.00) on the 16th day of December, 1942, and on the 16th day of each calendar month thereafter up to and including the 16th day of September, 1949, and the sum of Six Thousand Three Hundred Thirty-seven and 69/100 Dollars ($6,337.69) on the 16th day of October, 1949.

Said payments shall be applied in discharge of a total principal sum of One Million One Hundred Seventy-eight Thousand Two Hundred Thirty-three and 42/100 Dollars ($1,178,233.42), together with interest thereon at the rate of two per cent. (2%) per annum due from the Railway Company to the Bank, being the unpaid portion of the purchase price of 500 box cars purchased by the Railway Company from the General American Transportation Corporation under a Conditional Sale Agreement dated December 2nd, 1941, as modified by Supplemental Agreement dated December 11th, 1942, said Conditional Sale Agreement having been heretofore assigned to the Bank. Each of said monthly payments shall be applied first to interest then accrued and unpaid at the rate of two per cent. (2%) per annum from the 1st day of December, 1942, on the unpaid balance of said principal sum and then in reduction of the unpaid balance of said principal sum.

Any payment to be made under the provisions of this note may be made at the option of the Railway Company 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 two per cent. (2%) per annum, simple interest, would produce the agreed payment or payments upon the due date or dates.

GREAT NORTHERN RAILWAY COMPANY

By F. G. DORETY.

STATE OF MINNESOTA,)
(ss.:
COUNTY OF RAMSEY,)

I, Alpha M. Sarchet, 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 11th day of December, A.D. 1942, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, F. G. Dorety and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 F. G. Dorety and F. L. Paetzold, 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 F. G. Dorety resides in the City of St. Paul, and State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul and State of Minnesota; that said F. G. Dorety is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

ALPHA M. SARCHET

NOTARIAL SEAL

ALPHA M. SARCHET,
Notary Public, Ramsey County, Minn.
My Commission Expires July 11,1949.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Frances Smith, 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 12th day of December, A.D. 1942, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such as to THE FIRST NATIONAL BANK OF CHICAGO to the within and foregoing instrument, J. L. Buchanan and Ellerton A. Lodge, each to me personally known and known to me to be respectively Vice President and Assistant Cashier of THE FIRST NATIONAL BANK OF CHICAGO, 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 Assistant Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said J. L. Buchanan and Ellerton A. Lodge, 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 J. L. Buchanan resides in the City of Chicago and State of Illinois, and that the said Ellerton A. Lodge resides in the City of Chicago and State of Illinois; that said J. L. Buchanan is Vice President and said Ellerton A. Lodge is Assistant Cashier of THE FIRST NATIONAL BANK OF CHICAGO, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Assistant Cashier 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 therto 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 Assistant Cashier 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

FRANCES SMITH
Notary Public, Cook County, Illinois

NOTARIAL SEAL

My Commission expires May 16,1944.

State of Wisconsin)
) SS.
Department of State)

Received this 30th day of December A. D. 1942, at 10:30 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 57-62, incl.

AUGUST E. SMITH
Assistant Secretary of State

Index 774-D

A G R E E M E N T

Covering Conditional Sale Agreement of September 12, 1941
with
Pullman-Standard Car Manufacturing Company

By and Between

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK
and
GREAT NORTHERN RAILWAY COMPANY

DATED, DECEMBER 11TH, 1942

- - - - - - - - - - - -

AGREEMENT made this 11th day of December, 1942, by and between GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota, (hereinafter called the "Railway Company") party of the first part and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a National Banking Association, (hereinafter called the "Bank"), party of the second part.

The Railway Company has heretofore entered into an agreement dated September 12, 1941 with Pullman-Standard Car Manufacturing Company providing for the conditional sale to the Railway Company of certain railway equipment for the prices and upon the terms and conditions as set forth in said agreement, which agreement is hereinafter referred to as the "Conditional Sale Agreement".

Said Pullman-Standard Car Manufacturing Company did, by instrument dated October 23, 1941, assign to the Bank, upon the terms and conditions therein set forth, all of the right, title and interest of said Pullman-Standard Car Manufacturing Company in and to the Conditional Sale Agreement and in and to any and all amounts which might be or become due or owing to it thereunder, all of its rights, powers, privileges and remedies thereunder, and all of its right, title and interest in and to the equipment covered thereby.

All of the equipment covered by said Conditional Sale Agreement has now been manufactured and delivered, and the payments due under said Conditional Sale Agreement, down to and including the payment due on December 1, 1942, have been paid and there now remains due under said Conditional Sale Agreement not including interest, the principal sum of Two Million Three Hundred Twenty Thousand Six Hundred Sixty and 38/100 Dollars ($2,320,660.38).

The Railway Company has simultaneously with the execution of this Supplemental Agreement executed and delivered to the Bank the Railway Company's promissory note in the following words and form:

Saint Paul, Minn., December 11, 1942

FOR VALUE RECEIVED, GREAT NORTHERN RAILWAY COMPANY, (hereinafter called the "Railway Company"), promises to pay to THE FIRST NATIONAL BANK OF THE CITY OF NEW YOUR, (hereinafter called the "Bank"), without interest thereon, at the office of said The First National Bank of the City of New York, Borough of Manhattan, City, County and State of New York, in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the sum of Thirty Thousand Six Hundred Dollars ($30,600) on the sixteenth day of December, 1942, and on the sixteenth day of each calendar month thereafter up to and including the sixteenth day of August, 1949, and the sum of Two Thousand Two Hundred Forty-two and 91/100 Dollars ($2,242.91) on the sixteenth day of September, 1949.

Said payments shall be applied in discharge of a total principal sum of Two Million Three Hundred Twenty Thousand Six Hundred Sixty and 38/100 Dollars ($2,320,660.38), together with interest thereon at the rate of two per cent (2%) per annum due from the Railway Company to the Bank, being the unpaid portion of the purchase price of 1,000 50-ton box cars purchased by the Railway Company from the Pullman-Standard Car Manufacturing Company under a Conditional Sale Agreement dated September 12, 1941, as modified by Supplemental Agreement dated December 11, 1942, said Conditional Sale Agreement having been heretofore assigned to the Bank. Each of said monthly payments shall be applied first to interest then accrued and unpaid at the rate of two per cent (2%) per annum from the first day of December, 1942, on the unpaid balance of said principal sum and then in reduction of the unpaid balance of said principal sum.

After all payments due under this note up to and including the payment due on the sixteenth day of February, 1944, shall have been made, the Railway Company shall have the right on any monthly installment date, provided it shall have given not less than fifteen (15) days prior notice of its intention so to do and it be not in default hereunder, to make payment of the entire balance of said principal sum then unpaid hereunder.

The Bank, in consideration of the execution and delivery to it of said promissory note does hereby agree that all payments upon said note when received shall correspondingly reduce the obligation to make payment under said Conditional Sale Agreement and that all payments under said Conditional Sale Agreement when received, with suitable allowance for interest at 2% per annum as provided in said Conditional Sale Agreement, shall be endorsed upon said note and shall correspondingly reduce the obligation to make payments thereunder.

In further consideration of the execution and delivery by the Railway Company of said promissory note and of the foregoing agreement by the Bank, the parties further agree that notwithstanding the delivery and acceptance of said note, all of the rights and obligations of the Bank and the Railway Company under said Conditional Sale Agreement shall remain in full force and effect, and the acceptance by the Bank of said note shall not constitute payment of the balance of the purchase price under said agreement.

The Bank agrees that it will not assign or transfer its interest in said Conditional Sale Agreement, or in this Supplemental Agreement, or in said cars, separately, nor without at the same time transferring the said promissory note to the same party or parties, and that it will not endorse, transfer or assign said promissory note without also assigning its interest in said Conditional Sale Agreement and in this Supplemental Agreement, and in said cars, to the same party or parties at the same time, nor without first obtaining from the endorsee, transferee or assignee an agreement that he or it will accept and be bound by all of the obligations imposed upon the Bank as assignee of said Conditional Sale Agreement as aforesaid and by this Supplemental Agreement, and that he or it will not endorse, transfer or assign said note or agreement without obtaining a like agreement from his or its endorsee, transferee or assignee.

The Railway Company agrees to cause this Supplemental Agreement to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for the Bank, of the Bank's title to the equipment set forth in the Conditional Sale Agreement and any replacement or replacements thereof, and of its rights under said Conditional Sale Agreement and this Agreement.

The Railway Company hereby represents and warrants that the issuance of said note has been authorized by the Interstate Commerce Commission by order dated December 10,1942.

This Supplemental Agreement may be simultaneously executed in any number of 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.

IN WITNESS WHEREOF, the Railway Company and the Bank, respectively, each 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.

GREAT NORTHERN RAILWAY COMPANY,

SEAL

By F. G. Dorety
Vice President

ATTEST:
F. L. Paetzold
Secretary

In Presence of:
H. V. Rhedin
C. F. Ziegahn

(SEAL)

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,

By R. G. Fuller
Asst. Vice President.

ATTEST:
Theo. F. G.....(?)
Asst. Cashier

In Presence of:
W. E. Glodas
Charles D. Peet

STATE OF MINNESOTA,)
COUNTY OF RAMSEY,) SS.:

I, Alpha M. Sarchet, 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 11th day of December, A. D. 1942, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, F. G. Dorety and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 F. G. Dorety and F.L. Paetzold, 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 F. G. Dorety resides in the City of St. Paul, and State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul and State of Minnesota; that said F. G. Dorety is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

(NOTARIAL SEAL)

Alpha M. Sarchet

ALPHA M. SARCHET
Notary Public, Ramsey County, Minn.
My Commission Expires July 11, 1949

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS

I, Lawrence R. Houston, a Notary Public duly commissioned, qualified and acting within and for the State and County aforesaid, do hereby certify that on December 14, 1942, before me the subscriber, a Notary Public as aforesaid, personally appeared in said County of New York, in the State of New York, R. G. Fuller, an Assistant Vice President of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, one of the corporations which executed the foregoing instrument in writing, bearing date as of December 14, 1942, whose name is signed thereto and said R. G. Fuller, who is known to me and personally well known to me as an Assistant Vice President of The First National Bank of the City of New York, and being by me duly sworn or affirmed, did depose and say that he resides in Scarsdale, N.Y.; that he is an Assistant Vice President of said The First National Bank of the City of New York, one of the corporations described in said foregoing instrument, authorized by said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the contents of said instrument; that one of the seals affixed to said instrument is the corporate seal of said corporation; that said instrument was signed, sealed and delivered by him as an Assistant Vice President in behalf of said corporation by its authority, duly given, and by order of its Board of Directors; and that he acknowledged said foregoing instrument to be the free and voluntary act and deed of said The First National Bank of the City of New York; and that he desired the same to be recorded as such.

I am not a stockholder, director or officer of said The First National Bank of the City of New York.

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

(SEAL)

Lawrence R. Houston
Notary Public

LAWRENCE R. HOUSTON
Notary Public, New York County
N.Y.Co.Clks. No. 449,Reg.No.3H690
Cert.filed Kings Co.No.98,Reg.No.3274
Cert.filed Bronx Co.No.57,Reg.No.170H43
Cert.filed Queens Co.No.2240,Reg.No.9504
Commission Expires March 30, 1943

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.
Received this 30th day of December A. D. 1942 at 10:30 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 63-65.

August E. Smith
Assistant Secretary of State

Index 7-K-D

A G R E E M E N T

Covering Conditional Sale Agreement of May 24, 1939
With
Electro-Motive Corporation

By and Between

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK
And
GREAT NORTHERN RAILWAY COMPANY

DATED DECEMBER 11TH, 1942

AGREEMENT made this 11th day of December, 1942, by and between GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota, (hereinafter called the "Railway Company") party of the first part and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a National Banking Association, (hereinafter called the "Bank") party of the second part.

The Railway Company has heretofore entered into an agreement dated May 24, 1939 with Electro-Motive Corporation providing for the lease to the Railway Company of certain locomotives for the rental and upon the terms and conditions as set forth in said agreement, which agreement is hereinafter referred to as the "Lease Agreement".

Said Electro-Motive Corporation did, by various instruments, assign to the Bank, upon the terms and conditions therein set forth, all of the right, title and interest of said Electro-Motive Corporation in and to the Lease Agreement and in and to any and all amounts which might be or become due or owing to it thereunder, all of its rights, powers, privileges and remedies thereunder, and all of its right, title and interest in and to the locomotives covered thereby.

All of the locomotives covered by said Lease Agreement have now been manufactured and delivered, and the rental payments due under said Lease Agreement, down to and including the payment due on December 1, 1942, have been paid and there now remains due under said Lease Agreement, not including interest, the principal sum of Five Hundred Fifty-five Thousand Six Hundred Seventy-seven and 02/100 Dollars ($555,677.02).

By agreement between the Bank and the Railway Company the rate of interest to be paid by the Railway Company upon the balance of the rentals remaining unpaid from time to time has been reduced from 2-3/4% per annum to 2% per annum.

The Railway Company has simultaneously with the execution of this Supplemental Agreement executed and delivered to the Bank the Railway Company's promissory note in the following words and form:

Saint Paul, Minn., December 11,1942

FOR VALUE RECEIVED, GREAT NORTHERN RAILWAY COMPANY, (hereinafter called the "Railway Company"), promises to pay to THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, (hereinafter called the "Bank"), at the office of the said The First National Bank of the City of New York, Borough of Manhattan, City, County and State of New York, in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, with interest then accrued and unpaid upon the unpaid balance of the total principal amount hereinafter referred to at the rate of two per cent (2%) per annum, the sum of Sixteen Thousand Nine Hundred Dollars ($16,900.) on the 16th day of December, 1942, and on the 16th day of each calendar month thereafter up to and including the 16th day of July, 1945, and the sum of Fourteen Thousand Eight Hundred Seventy-seven and 02/100 Dollars ($14,877.02), on the 16th day of August, 1945.

Said principal sums so paid shall be applied in discharge of a total principal amount of Five Hundred Fifty-five Thousand Six Hundred Seventy-seven and 02/100 Dollars

($555,677.02) due from the Railway Company to the Bank, being the unpaid portion of the rental of twelve (12) 125-ton, 1000-horsepower Diesel locomotives and two (2) 100-ton, 1000-horsepower Diesel locomotives which Electro-Motive Corporation leased to the Railway Company under an equipment lease dated May 24, 1939, with an agreement to convey said locomotives to the Railway Company upon payment in full of said rental together with interest thereon, as modified by Supplemental Agreement dated December 11, 1942, which lease together with the said Diesel locomotives has heretofore been assigned to the Bank.

The Railway Company shall have the right at its election, and upon any payment date above designated, to make payment of the total of all remaining installments due under this note in advance of the dates for payment hereunder, upon payment of interest on such total remaining balance to the date of such anticipated payment, and such payment shall discharge all further obligations of the Railway Company under this note.

The Bank, in consideration of the execution and delivery to it of said promissory note does hereby agree that all payments of principal and interest upon said note when received shall correspondingly reduce the obligation to make payments of rental and interest under said Lease Agreement and that all payments under said Lease Agreement when received shall be endorsed upon said note and shall correspondingly reduce the obligation to make payments thereunder.

In further consideration of the execution and delivery by the Railway Company of said promissory note and of the foregoing agreement by the Bank, the parties further agree that notwithstanding the delivery and acceptance of said note, all of the rights and obligations of the Bank and the Railway Company under said Lease Agreement shall remain in full force and effect, and the acceptance by the Bank of said note shall not constitute payment of the balance of the rental under said agreement.

The Bank agrees that it will not assign or transfer its interest in said Lease Agreement, or in this Supplemental Agreement, or in said locomotives, separately, nor without at the same time transferring the said promissory note to the same party or parties, and that it will not endorse, transfer or assign said promissory note without also assigning its interest in said Lease Agreement and in this Supplemental Agreement, and in said locomotives, to the same party or parties at the same time, nor without first obtaining from the endorsee, transferee or assignee an agreement that he or it will accept and be bound by all of the obligations imposed upon the Bank as assignee of said Lease Agreement as aforesaid and by this Supplemental Agreement, and that he or it will not endorse, transfer or assign said note or agreement without obtaining a like agreement from his or its endorsee, transferee or assignee.

The Railway Company agrees to cause this Supplemental Agreement to be filed, registered and recorded wherever required for the proper protection, to the satisfaction of counsel for the Bank, of the Bank's title to the locomotives set forth in the Lease Agreement and any replacement or replacements thereof, and of its rights under said Lease Agreement and this Agreement.

The Railway Company hereby represents and warrants that the issuance of said note has been authorized by the Interstate Commerce Commission by order dated December 10, 1942.

This Supplemental Agreement may be simultaneously executed in any number of 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.

IN WITNESS WHEREOF, the Railway Company and the Bank, respectively, each 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.

GREAT NORTHERN RAILWAY COMPANY,

(SEAL)

By F. G. Dorety
Vice President

ATTEST:
F. L. Paetzold
Secretary

In the Presence of:

H. V. Rhedin

C. F. Ziegahn

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,

By R. G. Fuller
Asst. Vice President

(SEAL)

ATTEST:

Theo F. G_____(?)
Asst. Cashier

In the Presence of:

W. E. Glodes

Charles D. Peet

STATE OF MINNESOTA,)
COUNTY OF RAMSEY.) SS.:

I, Alpha M. Sarchet, 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 11th day of December, A. D. 1942, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, F. G. Dorety and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 F. G. Dorety and F. L. Paetzold, 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 F. G. Dorety resides in the City of St. Paul, and State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul and State of Minnesota; that said F. G. Dorety is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

Alpha M. Sarchet
Notary Public, Ramsey County, Minn.
My Commission Expires July 11, 1949.

(Notarial Seal)

ALPHA M. SARCHET,
Notary Public, Ramsey County, Minn.
My Commission Expires July 11, 1949

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss

I, Lawrence R. Houston, a Notary Public duly commissioned, qualified and acting within and for the State and County aforesaid, do hereby certify that on December 14, 1942, before me the subscriber, a Notary Public as aforesaid, personally appeared in said County of New York, in the State of New York, R. G. Fuller, an Assistant Vice President of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, one of the corporations which executed the foregoing instrument in writing, bearing date as of December 14, 1942, whose name is signed thereto and said R. G. Fuller, who is known to me and personally well known to me as an Assistant Vice President of The First National Bank of the City of New York, and being by me duly sworn or affirmed, did depose and say that he resides in Scarsdale, N.Y.; that he is an Assistant Vice President of said The First National Bank of the City of New York, one of the corporations described in said foregoing instrument, authorized

by said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the contents of said instrument; that one of the seals affixed to said instrument is the corporate seal of said corporation; that said instrument was signed, sealed and delivered by him as an Assistant Vice President in behalf of said corporation by its authority, duly given, and by order of its Board of Directors; and that he acknowledged said foregoing instrument to be the free and voluntary act and deed of said The First National Bank of the City of New York; and that he desired the same to be recorded as such.

I am not a stockholder, director or officer of said The First National Bank of the City of New York.

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

(Notarial Seal)

LawrenceR. Houston
Notary Public

LAWRENCE R. HOUSTON
NOTARY PUBLIC, New York County
N.Y.Co.Clks.No.449, Reg. No. 3H690
Cert.filed Kings Co.No.98,Reg.No.3274
Cert. filed Bronx Co. No.57,Reg.No.12OH43
Cert.filed Queens Co.No.2240,Reg. No.3594
Commission Expires March 30, 1943

STATE OF WISCONSIN)
SS
DEPARTMENT OF STATE)

Received this 30th day of December, A. D. 1942 at 10:30 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 66-69.

August E. Smith
Assistant Secretary of State

INDEXED

152957

QUIT-CLAIM DEED

By

ILLINOIS CENTRAL RAILROAD COMPANY

To

CARL MARTY, SR., CARL O. MARTY, JR. and ROBERT F. MARTY

Covering Certain Property in La Fayette County, Wisconsin

DATED DECEMBER 4, 1942

THIS INDENTURE Witnesseth that the Grantor, the Illinois Central Railroad Company, a corporation of the State of Illinois, ---------- for and in consideration of the sum of Two Hundred(200.00)---------- Dollars in hand paid, hereby conveys, releases, remises and forever quit claims to CARL MARTY, SR., CARL O. MARTY, JR. and ROBERT F. MARTY, all of Monroe, Wisconsin, all its right, title, interest and claim in and to the following described lands and property situated in the County of La Fayette, ---------- and State of Wisconsin, ----- to wit:

A portion of the unused right of way of the Grantor's abandoned Dodgeville District, located in the Village of Blanchardville, in Section Twenty-three (23), Township Four (4) north, Range Five (5), east of the Fourth Principal Meridian, more particularly described as follows:

Beginning at the intersection of the westerly line of Main Street with the southerly line of Grantor's right of way; running thence westerly along said southerly line, to the easterly line of Locust Street; thence northerly along said easterly line of Locust Street, thirty (30) feet; thence easterly, parallel with said southerly line of right of way, to said westerly line of Main Street; thence southerly along said westerly line of Main Street, thirty (30) feet to the point of beginning, containing forty-eight hundred (4,800) square feet, more or less.

In Witness Whereof, the Illinois Central Railroad Company, ------- the Grantor, has caused these presents to be signed by its ---------- President, and its corporate seal, duly attested by its ----------Secretary to be hereunto affixed, they being thereunto duly authorized, this 4th day of December, ----A. D., 1942.

(SEAL)

ILLINOIS CENTRAL RAILROAD COMPANY

By J. L. Beven
President

ATTEST:
R. E. Connolly
Secretary

WITNESSES: A. L. Carnes (?)

R. F. Tuohy

(Documentary Revenue Stamps totaling 55¢ attached)

STATE OF ILLINOIS)
COUNTY OF COOK,) ss.

I, Olive O'Reilly, a Notary Public, in and for the said County and State, hereby certify that J. L. Beven, --- President of the aforesaid Illinois Central Railroad Company, ---, who is personally known to me, and known to be such ---President of said corporation, and the same person whose name is subscribed to the above instrument as such ---President, appeared before me this day in person in said State and County, and being by me duly sworn, did say that he was on the date of the execution of said instrument ---President of the said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and he acknowledged that he, being informed of the contents of the conveyance as such ---President, signed, sealed and delivered the said instrument by signing the name of the corporation by himself as ---President as his own free and voluntary act as said ---President and as the free and voluntary act and deed of the said corporation, for the uses and purposes therein set forth. I further certify that the seal of said corporation as affixed to said instrument was attested and proven before me by R. E. Connolly, --- as Secretary of said corporation.

Given under my hand and seal of office in Chicago, Cook County, Illinois, this 5th day of December, A. D. ---,1942.

(SEAL) My Commission expires July 3, 1945.

Oliver O'Reilly
Notary Public

STATE OF WISCONSIN)
DEPARTMENT OF STATE) ss.

Received this 7th day of May A. D. 1943 at 2:40 o'clock P.M. and recorded in Vol. 38 of R. R. Mtgs. on page 70.

August E. Smith, Assistant Secretary of State.

INDEXED

SUPPLEMENTAL AGREEMENT
To
Conditional Sale Agreement of February 28, 1941
With
American Car and Foundry Company

BY AND BETWEEN

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

AND

NORTHERN PACIFIC RAILWAY COMPANY

DATED APRIL 1, 1943

SUPPLEMENTAL AGREEMENT made and entered into this first day of April, 1943 between NORTHERN PACIFIC RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Wisconsin (hereinafter called the Northern Pacific), and 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 (hereinafter called the Bank);

W I T N E S S E T H :

WHEREAS, an Agreement of Conditional Sale was made between American Car and Foundry Company and the Northern Pacific as of the 28th day of February, 1941 for the construction and sale by American Car and Foundry Company of 1,000 50-ton steel sheathed box cars, 300 50-ton steel hopper cars, and 200 70-ton Hart selective ballast cars, and for the delivery thereof to the Northern Pacific at Belt Line, Minnesota and at Chesapeake & Ohio tracks at Russell, Kentucky, all in accordance with and subject to the terms and conditions set forth therein; and

WHEREAS, said Agreement of Conditional Sale was assigned by American Car and Foundry Company to the Bank by an Agreement of Assignment dated the 24th day of April, 1941; and

WHEREAS, there is now unpaid on the purchase price of said cars the principal sum of $3,363,220.56; and

WHEREAS, the parties hereto wish to amend and supplement the Agreement of Conditional Sale to provide for the issue thereunder of a note to evidence the said unpaid balance of purchase price, with interest thereon at the rate of two per cent per annum on the unpaid principal purchase price as provided in the Agreement of Conditional Sale;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto do hereby agree as follows:

I.

Paragraph 2 of the Agreement of Conditional Sale is hereby amended to read as follows:

"The 1,000 50-ton steel sheathed box cars, 300 50-ton steel hopper cars, and 200 70-ton Hart slective ballast cars have been delivered to and accepted by the Vendee. As of the date of this Supplemental Agreement there remains unpaid on the purchase price of the cars the sum of $3,363,220.56, which the Vendee hereby promises to pay to the Vendor or the assignee thereof at such place as may be designated by the Vendor or assignee as follows:

"On the first day of each calendar month commencing May 1, 1943, and continuing thereafter until all unpaid principal purchase price and interest on the unpaid principal purchase price at the rate of two per cent per annum shall have been paid, the amount of $45,625.00, excepting only that the final monthly payment shall be $32,717.48, so as to extinguish the debt and interest then remaining after application of all previous payments or prepayments credited thereto. Each monthly payment shall be applicable first to the interest then due on unpaid principal purchase price, and the balance as a reduction of unpaid principal purchase price.

"The Vendee has executed and issued to Continental Illinois National Bank and Trust Company of Chicago, as assignee of the Vendor, simultaneously herewith a promissory note in the form hereto attached, marked Exhibit 1. Such promissory note shall not constitute any new or additional indebtedness from the Vendee to such assignee, and is not issued by the Vendee or accepted by such assignee as payment of the indebtedness due hereunder, but shall merely evidence the indebtedness outstanding as of April 1, 1943 hereunder. Said assignee agrees that all payments made upon said note when received shall correspondingly reduce the obligation to make payment under the Agreement of Conditional Sale, and that all payments under said Agreement of Conditional Sale when received with suitable allowances for interest at the rate of two per cent per annum as provided in the Agreement of Conditional Sale, or in any subsequent amendatory agreement, shall be endorsed upon said note and shall correspondingly reduce the obligation to make payments thereunder. The said assignee further agrees that it will not assign or transfer its interest in the Agreement of Conditional Sale or in any subsequent amendatory agreement, or in the steel sheathed box cars, steel hopper cars, or Hart selective ballast cars, separately, nor without at the same time transferring the said promissory note to the same party or parties, and that it will not endorse, transfer, or assign said promissory note without also assigning its interest in the Agreement of Conditional Sale and in any subsequent amendatory agreement, and in said steel sheathed box cars, steel hopper cars, and Hart selective ballast cars, to the same party or parties at the same time, nor without first obtaining from the endorsee, transferee, or assignee an agreement that the endorsee, transferee, or assignee will accept and be bound by all the obligations imposed upon the aforesaid assignee of the Agreement of Conditional Sale and of any subsequent amendatory agreement, and that the endorsee, transferee, or assignee will not endorse, transfer, or assign said note or the Agreement of Conditional Sale without obtaining a like agreement from his or its endorsee, transferee, or assignee.

"All payments provided for in this agreement shall be made by the Vendee 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.

"The obligation of the Vendee to make the payments in accordance with the provisions of this section in the full amount stated shall continue until all installments shall have been paid in accordance with the table set forth in this section of the Agreement of Conditional Sale, which schedule shows the amounts and dates of the installment payments to be made by the Vendee, the amount of 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 cars remaining unpaid after credit of the payments as of each date, and which schedule of payments insofar as applicable after the date of this Supplemental Agreement is retained as a part of this agreement; provided, however, that the Vendee shall have the option of paying in advance of maturity any monthly payment or payments on any payment date, any such payment or payments in advance of maturity to be discounted to a sum which, at the rate of two per cent per annum, simple interest, would produce the agreed payment or payments upon the due date or dates."

II.

Except as herein specifically amended, the agreement of Conditional sale of February 28, 1941 shall remain in full force and effect.

III.

The Northern Pacific shall, at its expense, cause this agreement to be filed and recorded in accordance with the applicable laws of the States of Wisconsin, Minnesota, North Dakota, Montana, Idaho, Washington, and Oregon in the same manner as said agreement

dated as of February 28, 1941, and said assignment as of April 24, 1941 were filed and recorded.

IV.

The Northern Pacific hereby represents and warrants that the execution of this Supplemental Agreement and the issuance of said note have been authorized and approved by the Interstate Commerce Commission by order dated April 19, 1943, and by the Executive Committee of the Board of Directors of Northern Pacific Railway Company.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and their respective seals to be affixed by their officers authorized thereto, all as of the date, month, and year first above written.

Witnesses:

Daniel P. Sheridan
Bernice W. Ashley

(SEAL)

Witnesses:

M. T. Barry
M. P. Schuetz.

(SEAL)

NORTHERN PACIFIC RAILWAY COMPANY,

By B. W. Scandrett
Vice President

Attest:
Hugh McLeod
Assistant Secretary

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By W. J. Delaney
Vice President

Attest:

A. D. Arado
Assistant Cashier

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

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 26th day of April, 1943, 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 Hugh McLeod, each to me personally known and known to me to be respectively a Vice President and an Assistant 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 Assistant 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 Hugh McLeod 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 that said Hugh McLeod resides in the City of St. Paul in the State of Minnesota; that said B. W. Scandrett is a Vice President and said Hugh McLeod is an Assistant 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 Hugh McLeod, 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 Executive Committee 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 Assistant 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 County, Minn.,
My commission expires Oct. 21, 1949

(SEAL)

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, GEORGE 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 this __th day of April, 1943, 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. J. DELANEY and A. D. ARADO each to me personally known and known to me to be respectively

Vice President and Assistant Cashier of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, 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 Assistant Cashier respectively in my presence, and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said W. J. DELANEY and A. D. ARADO 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. J. DELANEY resides in the City of Chicago in the State of Illinois, and that said A. D. ARADO resides in the City of Chicago in the State of Illinois; that said W. J. DELANEY is Vice President and said A. D. ARADO is Assistant Cashier of Continental Illinois National Bank and Trust Company of Chicago, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said W. J. DELANEY and A. D. ARADO 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 Assistant Cashier 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 instruments 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

GEO. LOACKER

(NOTARIAL SEAL)

GEO. LOACKER
Notary Public, Cook County, Ill.

My Commission Expires Jan. 18, 1945

Exhibit 1

PROMISSORY NOTE

$3,363,220.56 April 1, 1943.

The undersigned, NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin, hereby promises to pay to the order of 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, at its principal banking office in the City of Chicago, Illinois, in such coin or currency of the United States of America as at the time of payment is legal tender of public and private debts of the United States of America, the principal sum of THREE MILLION THREE HUNDRED SIXTY-THREE THOUSAND TWO HUNDRED TWENTY and 56/100 DOLLARS ($3,363,220.56), with interest thereon from April 1, 1943 at the rate of two per cent (2%) per annum until the full payment of said principal sum, as follows:

FORTY-FIVE THOUSAND SIX HUNDRED TWENTY-FIVE and No/100 DOLLARS ($45,625.00) on May 1, 1943, and a like amount on the first day of each calendar month thereafter until such principal sum and interest thereon shall have been paid, excepting only that the final monthly payment of principal and interest shall be $32,717.48 so as to extinguish the debt remaining after application of all previous payments credited thereon. Each monthly payment shall be applicable first to the interest then due on unpaid principal and the balance as reduction of unpaid principal; provided, however, that the undersigned, Northern Pacific Railway Company, shall have the option of paying in advance of maturity any monthly payment or payments on any payment date, any such payment or payments in advance of maturity to be discounted to a sum which, at the rate of two per cent per annum, simple interest, would produce the agreed payment or payments upon the due date or dates.

The undersigned, NORTHERN PACIFIC RAILWAY COMPANY, further covenants and agrees to pay interest at the rate of five per cent (5%) per annum upon all amounts of principal remaining unpaid after the same become due and payable.

This note is issued and accepted for the sole purpose of further evidencing the balance owing after April 1, 1943 from Northern Pacific Railway Company to Continental

Illinois National Bank and Trust Company of Chicago under the terms and conditions of a certain agreement dated as of February 28, 1941 between American Car and Foundry Company, a New Jersey corporation, and Northern Pacific Railway Company, and is subject to the terms and provisions of said agreement, to the terms and provisions of an assignment of said agreement by American Car and Foundry Company dated as of April 24, 1941, and to the terms and provisions of an agreement of even date herewith between Northern Pacific Railway Company and Continental Illinois National Bank and Trust Company of Chicago, to which reference is hereby made for a statement of the terms and provisions thereof.

For a statement of the exact amount of principal and the exact amount of interest to be included in the consecutive monthly payments herein prescribed, reference is made to the schedule of payments contained in Paragraph 2 of the Conditional Sale Agreement.

NORTHERN PACIFIC RAILWAY COMPANY

(SEAL)

By (Sgd) B. W. SCANDRETT
Vice President

STATE OF WISCONSIN)
DEPARTMENT OF STATE) ss.

Received this 5th day of May A. D. 1943 at 10:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 71 - 75.

August E. Smith
Assistant Secretary of State

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Note: Conformed copy of this instrument, for certified copy, on file in Corporation File No C-532.704.

COUNTERPART NO. 52
of 275

Second Mortgage and Deed of Trust

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

TO

CHEMICAL BANK & TRUST COMPANY, TRUSTEE

DATED AS OF JANUARY 1, 1939

R. R. DONNELLEY & SONS CO., CHICAGO

This Second Mortgage and Deed of Trust, dated as of the first day of January, One Thousand Nine Hundred Thirty-Nine (hereinafter referred to as the "Mortgage"), between CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter referred to as the "Railway Company"), having its principal office in the City of Chicago, State of Illinois, party of the first part, and CHEMICAL BANK & TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York (hereinafter referred to as the "Trustee"), having its principal office at 165 Broadway in the Borough of Manhattan, City and State of New York, party of the second part,

WITNESSETH:

WHEREAS, a certain plan of reorganization of Chicago and North Western Railway Company, Debtor, was approved and certified by the report and order of the Interstate Commerce Commission dated April 2, 1940, in proceedings entitled "In the Matter of Chicago and North Western Railway Company Reorganization," Finance Docket No. 10881, and said plan was confirmed by the United States District Court in and for the Northern District of Illinois, Eastern Division (hereinafter called the "Court"), by decree dated June 27, 1941, in proceedings for reorganization of a railroad under Section 77 of the Bankruptcy Act, entitled "In the Matter of Chicago and North Western Railway Company, Debtor," No. 60448 (said plan as so confirmed being hereinafter referred to as the "Plan"), and said decree has become final in all respects; and

Railway Company, Debtor, to whom such bonds are allotted under the Plan; and the earnings have been such that the First Mortgage Bonds, Series A, Secured Serial Payment Notes, and 15-Year Collateral 4% Notes, to be issued pursuant to the Plan, are entitled to fixed interest at the rate of 4% per annum after December 31, 1942; and, as provided in the Plan, the Reorganization Managers designated pursuant thereto have duly determined the form and provisions (so far as not otherwise in the Plan specifically provided) of the Mortgage and of the Second Mortgage Bonds to be issued thereunder, giving effect, among other things, to the commuting of the interest on the First Mortgage Bonds, Series A, the Secured Serial Payment Notes, and the 15-Year Collateral 4% Notes, and the retirement of obligations as herein recited, and the Court, pursuant to the requirements of the Plan and the power vested in the Court by the Plan to cure any defect, supply any omission or reconcile any inconsistency in such manner and to such extent as may be necessary or expedient to carry out the Plan effectively, has adjusted the Plan in certain respects, and approved by order the form and provisions of the Mortgage and of the Bonds provided to be issued thereunder; and

WHEREAS, the Second Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 1999 (which are to be in the form of registered Bonds without coupons only), and the Trustee's certificate of authentication to be endorsed on the Bonds of all series are to be substantially in the following forms, respectively:

(Form of Registered Bond Without Coupons of Series A)

No.__________ $__________

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
SECOND MORTGAGE 4½% CONVERTIBLE INCOME BOND
SERIES A, DUE JANUARY 1, 1999

CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation of the State of Wisconsin, having its prin-

then payable would be less than ¼ of 1% of the principal amount hereof, and any sum available for interest not payable because of this provision shall be reserved and added to the amount available for, or payable on account of, interest on the next date on which interest shall be paid; and all payments of contingent interest shall be made only in multiples of 1¢ for each $100 of principal amount hereof. Interest for the year 1998 and for each other calendar year for which fixed interest shall be payable hereon shall be payable on January 1 of the next succeeding calendar year.

This Bond is one of a duly authorized issue of Second Mortgage Bonds of the Railway Company (herein referred to as the "Bonds"), not limited in aggregate principal amount except as provided in the Mortgage hereinafter referred to, issued and to be issued under, and respectively secured to the extent and in the manner provided by, a second mortgage and deed of trust dated as of January 1, 1939 (herein referred to as the "Mortgage"), duly executed and delivered by the Railway Company to Chemical Bank & Trust Company, Trustee (hereinafter, together with its successors in trust, referred to as the "Trustee"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged, the nature and extent of the security, the rights of, and restrictions upon, the Railway Company and the holders of the Bonds in respect of the security under the Mortgage, the rights, duties and immunities of the Trustee and the terms and conditions under which the Bonds are, and may be, issued and secured. The Bonds may be for various principal sums and are issuable in series, which different series may mature at different times, may bear interest at different rates, and may otherwise vary as in the Mortgage provided. This Bond is one of the Bonds of Series A, a closed series designated as Second Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 1999, and originally authorized to be issued in an aggregate principal amount not exceeding $109,807,900.

Interest accrued on Bonds of Series A not held in the sinking

Company to pay the principal of such Bond when due. Any such consent of the holder of this Bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this Bond whether or not any notation of such consent is made upon this Bond.

No reference herein to the Mortgage and no provision of this Bond or of the Mortgage shall affect or impair the obligation of the Railway Company, which is absolute and unconditional, to pay the principal of this Bond at the time and place and in the currency herein prescribed.

The Bonds of Series A are entitled to the benefits of sinking fund payments out of Available Net Income, if any, as defined and applicable for the purpose under the terms of the Mortgage. Said payments may not exceed, for any year, one-half of one per cent (½ of 1%) of the aggregate principal amount of the Bonds of Series A originally authorized to be issued as aforesaid, and are not cumulative. In addition to said payments, interest payable under the terms of the Mortgage on Bonds of Series A acquired through sinking fund operations shall be paid into the sinking fund.

The Bonds of Series A are subject to redemption prior to maturity, as a whole or from time to time in part, on any interest payment date selected as a redemption date, for the purposes of said sinking fund or the Debt Retirement Sinking Fund provided for in the Mortgage, or at the option of the Railway Company, in each case upon publication once each week, for four successive weeks, of notice of such redemption in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, Illinois, the first publication to be not less than sixty days and not more than ninety days before such redemption date, all as provided in the Mortgage, at a redemption price for each Bond so redeemed equal to the principal amount thereof plus accrued

Bonds of Series A are issuable only in the form of registered Bonds without coupons, in the denominations of $100, $500, $1,000, $5,000 and $10,000, and in multiples of $10,000 authorized by the Board of Directors of the Railway Company. Subject to limitations, terms and conditions set forth in the Mortgage, and payment of charges in certain cases as therein provided, Bonds of Series A are interchangeable in authorized denominations, except that Bonds of Series A of the denominations of $100 and $500 may only be exchanged in principal amounts aggregating $1,000 or a multiple thereof for an equivalent principal amount of Bonds of the denomination of $1,000 or larger, and Bonds of the denomination of $1,000 or larger may not be exchanged for Bonds of the denomination of $500 or $100.

Each Bond of Series A delivered, pursuant to the exercise of any privilege of transfer or exchange, or in substitution, for the whole or any part of one or more other Bonds of Series A shall carry all of the rights to interest which were carried by the whole or such part of such one or more other Bonds of Series A at the time of transfer, exchange or substitution. In case this Bond shall have been delivered upon exercise of any privilege of transfer or exchange or in substitution, as aforesaid, interest shall be deemed to have been paid on this Bond to the extent paid, made available for payment, or under a provision similar to this deemed to have been paid, on an equal principal amount of the Bond or Bonds for which this Bond was transferred, exchanged or substituted.

The Railway Company, the Trustee, any paying or conversion agent and any bond registrar may deem and treat the registered holder hereof at any given time as the absolute owner of this Bond (whether or not this Bond shall be overdue), for the purpose of receiving any payment then being made of or on account of the principal hereof, premium (if any), or interest hereon, and for all other purposes, and neither the Railway Company nor the Trustee nor any paying or conversion agent nor any bond registrar shall be affected by any notice to the contrary.

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Note: Conformed copy of this instrument, for certified copy, on file in Corporation File No C-532.704.

WHEREAS, pursuant to the Plan and the order of the Court the Railway Company now owns the several lines of railway and other property and franchises constituting the estate owned on the date of such order by the trustee of the Railway Company appointed in the reorganization proceedings above referred to; and

WHEREAS, the Railway Company, in order to comply with the provisions of the Plan and orders of the Court and to provide funds for its lawful corporate purposes deems it desirable to issue its Second Mortgage Bonds, not limited in aggregate principal amount except as hereinafter provided, to be secured by a mortgage and deed of trust on the real and personal property of the Railway Company hereinafter described or referred to as being or to become subject to the lien hereof, the Bonds to be issued in one or more series from time to time, and the Bonds of each series to be issued originally either as coupon Bonds registerable as to principal or as registered Bonds without coupons, or both, as hereinafter provided, all such Bonds to be authenticated by the certificate of the Trustee; and

WHEREAS, since the effective date of the Plan, January 1, 1939, Available Net Income for the years 1939, 1940, 1941 and 1942 of the trustee of the Railway Company appointed in the reorganization proceedings above referred to has been determined by the Court in accordance with the provisions of the Plan, and certain sums have from time to time been paid out of said Available Net Income by said trustee under orders of the Court, among other things, for the retirement of the serial collateral 4% notes to the Public Works Administration in the principal amount of $1,020,000; and pursuant to the orders of the Court dated July 16, 1941, March 24, 1942, and March 29, 1943, respectively, amounts equivalent to the interest payable for the years 1939, 1940, 1941 and 1942 on the First Mortgage Bonds, Series A, and the Second Mortgage 4½% Convertible Income Bonds, Series A, to be issued pursuant to the Plan have been paid, or made available for payment, to the holders of securities of Chicago and North Western

cipal office in the City of Chicago, State of Illinois (herein referred to as the "Railway Company"), for value received, hereby promises to pay to , or registered assigns, on January 1, 1999, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, the principal sum of Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; and to pay interest on said principal sum at the rate of four and one-half per cent (4½%) per annum (at said office or agency) in like coin or currency, from and including January 1, 1943, until payment of said principal sum or conversion of this Bond, but, for each calendar year prior to the year 1998 (except those for which interest hereon becomes fixed as hereinafter set forth) only to the extent of Available Net Income as the same is defined and applicable to the payment of such interest under the terms of the Mortgage hereinafter mentioned. Interest hereon which is payable only to the extent of Available Net Income as aforesaid shall be payable on April 1 following the close of the calendar year for which such applicable Available Net Income is determined (except that any such interest for the calendar year 1943 shall be payable August 1, 1944) and to the extent that the amount so payable for any calendar year shall be less than four and one-half per cent (4½%) of such principal sum, shall accrue and accumulate up to but not exceeding a maximum at any one time accumulated and unpaid of thirteen and one-half per cent (13½%) of such principal sum, but beyond such maximum accumulation shall not accrue for any calendar year except to the extent of Available Net Income for such calendar year as defined and applicable to such interest as aforesaid. Any interest accumulated as aforesaid and unpaid when said principal sum becomes due and payable shall then be and become due and payable in any event. Accumulations of interest shall not bear interest prior to the time said principal sum becomes due and payable. As provided in the Mortgage, no contingent interest is required to be paid hereon on any interest payment date if the amount

fund hereinafter mentioned (including any accumulations of such interest), payable out of Available Net Income as the same is defined and applicable under the terms of the Mortgage, shall be paid before any interest is paid or set apart for payment out of such Available Net Income on any other series of Second Mortgage Bonds; and if there shall be issued any series of Second Mortgage Bonds, other than Bonds of Series A, which bear fixed interest, then and in such event, the interest on Bonds of Series A shall become fixed and unconditionally payable at the rate aforesaid for the full calendar year then current and succeeding calendar years until payment of the principal thereof, in each case on January 1 following the close of the calendar year, any unpaid interest on Bonds of Series A accrued for the year prior to the calendar year then current to remain payable on the April 1 following the close of such prior year, and any accumulated and unpaid interest in addition thereto to be and become due and payable on the next date for the payment of any interest hereon following such event.

If an event of default as defined in the Mortgage shall occur, the principal of this Bond may be declared, and upon such declaration shall become, due and payable, together with all accumulations of interest, if any, in the manner, with the effect and subject to the conditions provided in the Mortgage.

The Mortgage contains provisions permitting the Railway Company and the Trustee, with the consent of the holders of not less than 66⅔% in principal amount of all the Bonds at the time outstanding which are affected thereby, evidenced as in the Mortgage provided, to modify, alter, add to and eliminate any of the provisions of the Mortgage (or any indenture supplemental thereto) or any provisions as to the lien thereof, and to modify, alter, add to, eliminate or compromise rights of the holders of Bonds and coupons and rights and obligations of the Railway Company, all by general plan or otherwise; provided, however, that no such action shall, without the consent of the holder of any Bond, alter or impair the obligation of the Railway

interest thereon to the date of redemption, any unpaid accumulated interest in addition thereto, and a premium equal to one and one-eighth per cent (1⅛%) of such principal. While interest on Bonds of Series A remains payable only to the extent of applicable Available Net Income, such interest shall be calculated and accrued for purposes of determining the redemption price of Bonds of Series A at the rate of 4½% per annum for any calendar year or portion thereof for which Available Net Income has not been determined on the redemption date.

As provided in the Mortgage, this Bond is convertible, at the option of the holder hereof, at any time prior to maturity (or, if this Bond be at any time called for prior redemption, then on or before the thirtieth (30th) day preceding the date fixed for redemption, or in case said thirtieth (30th) day shall be a holiday on or before the first business day thereafter) upon surrender of this Bond for that purpose at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, into Common Stock of the Railway Company, upon the basis of one and one-half (1½) fully paid and nonassessable shares of such Common Stock for each One Hundred Dollars ($100) of principal hereof; subject to the provisions of the Mortgage as to interest on Bonds converted and dividends on stock received therefor, as to issuance of voting-trust certificates in lieu of stock certificates and scrip in lieu of fractional shares, and as to change in the conversion basis or substitution of other stock, securities or property in the event of consolidation, merger, conveyance of assets, recapitalization or the issuance of additional shares.

This Bond is transferable by the registered holder hereof in person, or by his attorney duly authorized in writing, at the office or agency to be maintained by the Railway Company in said Borough of Manhattan, without charge (other than any tax or taxes or other governmental charges payable with respect to such transfer), but only in the manner and subject to limitations, terms and conditions, all as provided in the Mortgage.

As provided in the Mortgage, no recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, or because of the creation of the indebtedness represented hereby or otherwise in respect hereof, or based on or in respect of the Mortgage or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, as such, 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.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, Chicago and North Western Railway Company has caused this Bond to be signed by its President or one of its Vice Presidents, and its corporate seal, duly attested by its Secretary or one of its Assistant Secretaries, to be affixed hereto.

Dated as of January 1, 1939.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

By____________________
President

Attest:

____
Secretary

(Form of Trustee's Certificate of Authentication on Bonds of all Series)

TRUSTEE'S CERTIFICATE

This Bond is one of the Bonds of the series designated herein, described in the within mentioned Mortgage.

CHEMICAL BANK & TRUST COMPANY
As Trustee

By_____
Authorized Officer

and

WHEREAS, the Bonds of series other than Series A are to be substantially in the form hereinabove set forth for the registered Bonds of Series A, with such omissions, insertions and variations, as may be authorized and permitted by the Mortgage, such forms to be determined by the Board of Directors of the Railway Company; and

WHEREAS, the execution and delivery of this Mortgage have been authorized by resolutions of the stockholders of the Railway Company and of the Board of Directors, duly adopted, and are in accordance with the orders of the Court; and

WHEREAS, there have been performed all acts and things prescribed by law and by the articles of organization and by-laws of the Railway Company necessary to make the Bonds of Series A when executed by the Railway Company and authenticated by the Trustee, as in the Mortgage provided, valid, binding and legal obligations of the Railway Company and to make the Mortgage a valid and binding mortgage and deed of trust to secure the payment of the Bonds, and the execution and delivery of the Mortgage have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of (and premium, if

	Miles
The following described lines of railroad crossing or connecting with the line last above described, or crossing or extending from points on said crossing and connecting lines, as follows:	
(1) Extending from Arlington, Nebraska, southeasterly to Elkhorn Junction, in the City of Omaha, Nebraska, a distance of about 26.14 miles, with a line from Irvington, Nebraska, to South Omaha, Nebraska, a distance of about 10.33 miles, having a total length of about	36.47
(2) Extending from Fremont, Nebraska, southwesterly to Superior, Nebraska, with a line from Superior to Kansas State Line, having a total length of about	148.40
(3) Extending from Platte River, Nebraska, southerly to Lincoln, Nebraska, having a length of about	44.96
(4) Extending from Scribner, Nebraska, northwesterly via Albion to Oakdale, Nebraska, having a length of about	114.01
(5) Extending from Norfolk, Nebraska, northwesterly to Wood, South Dakota, having a length of about	209.11
(6) Extending from Dakota Junction, Nebraska, northerly to Belle Fourche, South Dakota, having a length of about	156.40

	Miles
described, or crossing or extending from points on said crossing and connecting lines, as follows:	
(1) Extending from the junction near Rockwell and Kinzie Streets southerly and easterly to the south branch of the Chicago River, in Chicago, Illinois, having a length of about	5.17
(2) Extending from Proviso Yard, Illinois, northerly via Des Plaines to Valley, Illinois (Des Plaines Valley Railway), having a length of about	19.67
(3) Extending from West Chicago, Illinois, northwesterly via Elgin and Rockford, to Freeport, Illinois, having a length of about	91.46
(4) Extending from St. Charles, Illinois, southerly via Geneva and Batavia to Aurora, Illinois, having a length of about	11.64
(5) Extending from Sycamore, Illinois, southerly to Spring Valley, Illinois, having a length of about	55.95
(6) Extending from Ladd, Illinois, southerly to Seatonville, Illinois, having a length of about	3.04
(7) The cut-off extending from Nachusa, Illinois, to Nelson, Illinois, having a length of about	12.93
(8) Extending from Nelson, Illinois, southerly via Peoria to De Camp, Illinois, including a line from Kickapoo Junction to Peoria Junction, Illinois, having a length of about	201.58

	Miles
The following described lines of railroad crossing or connecting with the line last above described, or crossing or extending from points on said crossing and connecting lines, as follows:	
(1) Extending from Elgin, Illinois, northerly via Crystal Lake, Illinois, to Lake Geneva and Williams Bay, Wisconsin, having a length of about	51.34
(2) Extending from Bassetts, Wisconsin, westerly to Hebron, Illinois, having a length of about	11.84
(3) Extending from Harvard, Illinois, westerly and northeasterly via Caledonia, Illinois, to Janesville, Wisconsin, having a length of about	41.69
(4) Extending from Afton, Wisconsin, northerly to Evansville, Wisconsin, having a length of about	17.46
(5) Extending from Janesville, Wisconsin, northerly via Clyman Junction, Wisconsin, to Fond du Lac, Wisconsin, having a length of about	84.84
(6) Extending from Milwaukee, Wisconsin, westerly via Madison to Fennimore, Wisconsin, having a length of about	155.32
(7) Extending from Montfort Junction, Wisconsin, southerly to Benton, Wisconsin, having a length of about	32.03
(8) Extending from Ipswich, Wisconsin, westerly to Platteville, Wisconsin, having a length of about	3.80

	Miles
Earth and Fox Lake, Minnesota, to Sanborn, Minnesota, having a length of about	241.06
(15) Extending from Tama, Iowa, northerly via Jewell, Iowa, to the Minnesota State Line near Elmore, Minnesota, having a length of about	164.10
(16) Extending from Eldora Junction, Iowa, northerly to Alden, Iowa, having a length of about	26.24
(17) Extending from Burt, Iowa, northerly to Fox Lake, Minnesota, having a length of about	45.38
(18) Extending from Des Moines, Iowa, northerly to Jewell, Iowa, with a line from Polk City Junction to Polk City, Iowa, having a total length of about	57.84
(19) Extending from Manning, Iowa, southerly to Audubon, Iowa, having a length of about	17.45
(20) Extending from Maple River, Iowa, northerly to Carnarvon, Iowa, having a length of about	13.07
(21) Extending from Jewell, Iowa, westerly to Onawa, Iowa, having a length of about	141.24
(22) Extending from Sacton, Iowa, northwesterly to Moville, Iowa, having a length of about	79.28
(23) Extending from Moville, Iowa, northwesterly to Sergeant Bluff, Iowa (Sioux	

	Miles
(18) Extending from Tracy, Minnesota, northwesterly and westerly via Watertown, Redfield and Gettysburg, South Dakota, thence southerly to Blunt, South Dakota, having a length of about	278.31
(19) Extending from Doland, South Dakota, northerly to Groton, South Dakota, having a length of about	38.45
(20) Extending from Tyler, Minnesota, northwesterly to Astoria, South Dakota, having a length of about	31.82
(21) Extending from Sioux Valley Junction, South Dakota, northerly to Watertown, South Dakota, having a length of about	43.86
(22) Extending from James Valley Junction, South Dakota, northerly to Oakes, North Dakota, having a length of about	131.36
IV. A line of railroad beginning at said Passenger Terminal Station, in the City of Chicago, State of Illinois, and extending therefrom northerly by way of Evanston, Illinois, Kenosha, Racine, Milwaukee, Fond du Lac, Oshkosh, Green Bay, in the State of Wisconsin, and via Menominee and Escanaba to Ishpeming, in the State of Michigan, having a length of about	393.41
The following described lines of railroad crossing or connecting with the line last above described, or crossing or extending from points on said crossing and connecting lines, as follows:	

any) and interest on all the Bonds at any time issued and outstanding hereunder, according to their tenor and effect, and the performance and observance of the covenants and conditions contained in the Bonds and the Mortgage, and in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, of the acceptance of the Bonds (and coupons, if any) by the holders thereof, and of the sum of One Dollar in hand paid by the Trustee to the Railway Company upon the execution and delivery of the Mortgage, receipt whereof is hereby acknowledged, and pursuant to the order of the Court in the aforesaid reorganization proceedings, the Railway Company has granted, bargained, sold, conveyed, released, confirmed, mortgaged, pledged, assigned, transferred and set over, and by these presents does grant, bargain, sell, convey, release, confirm, mortgage, pledge, assign, transfer and set over unto the Trustee, and to its successors in the trust and its and their assigns forever, subject to the terms of the Mortgage, all and singular the following described property, rights, privileges and franchises of the Railway Company:

FIRST. All and singular the lines of railroad now owned by the Railway Company, including specifically but not exclusively the following (approximate mileages shown being as at December 31, 1943):

	Miles
I. A line of railroad beginning at the Passenger Terminal Station, at the intersection of Canal and Madison Streets, in the City of Chicago, Illinois, and extending in a westerly direction by way of Dixon, in the State of Illinois, thence westerly by way of Clinton, Cedar Rapids and Boone, in the State of Iowa, to Council Bluffs, Iowa, having a length of about	484.42

The following described lines of railroad crossing or connecting with the line last above

	Miles
(9) Other lines in Illinois described as follows, having an aggregate length of about...	9.15
(a) Chicago, Illinois:	
(i) Lake Michigan to Ada Street 2.68	
(ii) Western Avenue and Kinzie Street..... .09	
(iii) St. Charles Air Line... .76	
(b) Proviso, Illinois—Connection with Des Plaines Valley Railway..... .91	
(c) Dixon, Illinois—Track to Cement Mill.....3.23	
(d) East Clinton, Illinois, to Fulton, Illinois.....1.48	
	9.15
(10) Extending from Clinton, Iowa, northwesterly to Anamosa, Iowa, having a length of about	71.64
(11) Extending from Stanwood, Iowa, southerly to Tipton, Iowa, having a length of about	8.88
(12) The cut-off extending from Otis, Iowa, to Beverly, Iowa, having a length of about	4.88
(13) Extending from Belle Plaine, Iowa, southerly to What Cheer, Iowa, having a length of about	39.74
(14) Extending from Belle Plaine, Iowa, northwesterly via Mason City, Iowa, Blue	

	Miles
City and Pacific Rail Road), having a length of about	19.57
(24) Extending from Wall Lake, Iowa, southwesterly to Mondamin, Iowa, having a length of about	71.09
(25) Extending from California Junction, Iowa, northerly to Sioux City, Iowa (Sioux City and Pacific Rail Road), having a length of about	69.88
(26) Extending from Eagle Grove, Iowa, northwesterly via Hawarden, Iowa, and Centerville, South Dakota, to Iroquois, South Dakota, having a length of about	271.23
(27) Extending from Hawarden, Iowa, southeasterly to Wren, Iowa, having a length of about	28.20
(28) Extending from Centerville, South Dakota, southwesterly to Mission Hill, South Dakota, and connection at Yankton, South Dakota, with Great Northern Railway, having a total length of about	23.18
II. A line of railroad beginning at Missouri Valley, in the State of Iowa, and extending westerly (including between California Junction, Iowa, and Fremont, Nebraska, about 28.06 miles of what is commonly known as the Sioux City and Pacific Rail Road and about 3.35 miles of what is commonly known as the Blair Bridge Railway crossing the Missouri River) via Norfolk, Oakdale and Chadron, in the State of Nebraska, to Casper, in the State of Wyoming, having a length of about...	635.40

	Miles
(7) Extending from Whitewood, South Dakota, southwesterly to Deadwood, South Dakota, having a length of about	9.79
(8) Extending from Redwater, South Dakota, westerly to Jolly, South Dakota, having a length of about	3.73
(9) Extending from Belle Fourche, South Dakota, easterly to Newell, South Dakota, having a length of about	23.26
(10) Extending from Braden, South Dakota, easterly to end of track beyond Vale, South Dakota, having a length of about	12.11
(11) Extending from Casper, Wyoming, northwesterly to a connection with the Chicago, Burlington & Quincy Railroad at Illco, Wyoming, having a length of about	15.87
(12) Extending southwesterly from a connection with the Chicago, Burlington & Quincy Railroad at Shobon, Wyoming, to Lander, Wyoming, having a length of about	48.77
III. A line of railroad beginning at Clybourn, in the City of Chicago, State of Illinois, and extending therefrom in a northwesterly direction by way of Crystal Lake and Harvard, in the State of Illinois; Clinton Junction, Janesville, Madison, Elroy and Sparta, in the State of Wisconsin; Winona, Mankato and Tracy, in the State of Minnesota; and thence by way of Huron and Pierre to Rapid City, in the State of South Dakota, having a length of about	926.75

	Miles
(9) Extending from Lancaster Junction, Wisconsin, southwesterly to Lancaster, Wisconsin, having a length of about	12.09
(10) Extending from Medary Junction, Wisconsin, southerly to La Crosse, Wisconsin, having a length of about	3.96
(11) Extending from Trempealeau, Wisconsin, northerly to Galesville, Wisconsin, having a length of about	7.05
(12) Extending from Chatfield Junction, Minnesota, southerly to Chatfield, Minnesota, having a length of about	11.40
(13) Extending from Plainview Junction, Minnesota, northerly to Plainview, Minnesota, having a length of about	15.06
(14) Extending from New Ulm, Minnesota, easterly via St. Peter to Kasota, Minnesota, having a length of about	31.26
(15) Extending from Sleepy Eye, Minnesota, northwesterly to Redwood Falls, Minnesota, having a length of about	24.74
(16) Extending from Evan, Minnesota, westerly to Marshall, Minnesota, having a length of about	45.82
(17) Extending from Sanborn, Minnesota, northwesterly to Wanda, Minnesota, and from Wabasso, Minnesota, to Vesta, Minnesota, having a total length of about	20.04

	Miles
(1) Extending from Chicago Shops northeasterly via Mayfair, in Chicago, Illinois, to Canal interlocker, in Evanston, Illinois, having a length of about.	13.04
(2) Extending from Tower RS (Mayfair), in Chicago, Illinois, northerly to St. Francis, in Milwaukee, Wisconsin, and from Tower KO, Illinois, to Lake Bluff, Illinois, having a total length of about	72.88
(3) The cut-off extending from St. Francis, in Milwaukee, Wisconsin, to Chase Yard, Milwaukee, Wisconsin, having a length of about	2.33
(4) Extending from Wiscona, near Milwaukee, Wisconsin, northwesterly via Clyman Junction and Wyeville to Sparta, Wisconsin, and southerly from Butler to Belton, near West Allis, Wisconsin, having a total length of about	177.83
(5) Extending from Wiscona, near Milwaukee, Wisconsin, northerly via Sheboygan and Manitowoc, Wisconsin, to Tavil, near Green Bay, Wisconsin, having a length of about	108.67
(6) Extending from Sheboygan, Wisconsin, northwesterly via Princeton to Arpin, Wisconsin, and connection at Marshfield, Wisconsin, with Minneapolis, St. Paul & Sault Ste. Marie Railway, having a total length of about	152.72
(7) Extending from Bannerman, Wisconsin, northerly to Red Granite, Wisconsin, having a length of about	7.57

	Miles
(8) Extending from Wisconsin Rapids, Wisconsin, southerly to Nekoosa, Wisconsin, having a length of about	6.79
(9) Extending from Rosemere, near Manitowoc, Wisconsin, northwesterly via Kaukauna to Hortonville, Wisconsin, having a length of about	54.88
(10) Extending from Two Rivers Junction, near Manitowoc, Wisconsin, northerly to Two Rivers, Wisconsin, having a length of about	6.48
(11) Extending from Duck Creek, Wisconsin, westerly via Shawano to Eland, Wisconsin, having a length of about	64.67
(12) Extending from Pulaski, Wisconsin, northerly to Scott Lake, Michigan, having a length of about	106.39
(13) Extending from Oconto, Wisconsin, southwesterly to Gillett, Wisconsin, having a length of about	24.48
(14) Extending from Powers, Michigan, northwesterly to Watersmeet, Michigan, having a length of about	103.15
(15) Extending from Stager, Michigan, northerly to Crystal Falls, Michigan, having a length of about	9.72
(16) Extending from Narenta, Michigan, northwesterly to Felch, Michigan, having a length of about	35.56
(17) Extending from Winde, Michigan, northerly to Ladoga, Michigan, having a length of about	24.37

	Miles
(j) North Escanaba, Michigan, to Escanaba Ore Dock, Michigan	1.43
(k) Beaver Branch, Beaver, Michigan	5.74
(l) Swanzy Branch, Swanzy, Michigan	5.28
(m) Cascade Branch, Cascade, Michigan	8.50
(n) Mineral Branch, Negaunee, Michigan	2.65
	54.72
V. A line of railroad beginning at Tower CF, near Oshkosh, in the State of Wisconsin, and extending northwesterly by way of Hortonville, Eland, Monico, Rhinelander and Hurley, in the State of Wisconsin, to Ashland, Wisconsin, having a length of about	256.23
The following described lines of railroad crossing or connecting with the line last above described, or crossing or extending from points on said crossing and connecting lines, as follows:	
(1) Extending from Hunting, Wisconsin, westerly to Big Falls, Wisconsin, having a length of about	5.46
(2) Extending from Eland, Wisconsin, westerly to Marshfield, Wisconsin, having a length of about	64.46
(3) Extending from Eland, Wisconsin, southwesterly to Rosholt, Wisconsin, having a length of about	19.91

	Miles
(c) Beaton, Michigan, to end of track, Michigan	7.39
(d) Stickley, Michigan, to Cisco Lake, Michigan	5.11
(e) Gogebic, Michigan, to end of track, Michigan	9.26
(f) Wakefield, Michigan, to end of track, Michigan	4.21
	33.95
Total main and branch line mileage	7,781.23
VI. All and singular the tracks, commonly designated as second track, third track, fourth track, etc., and additional to the first track, now owned by the Railway Company and used as a part of and in connection with any of the said lines of railway above described, said additional tracks having, at the date hereof, an aggregate length of about	997.65
VII. All and singular the spur tracks, yard tracks, side tracks, turnouts, passing tracks and shop tracks now owned by the Railway Company and used, or provided for use, in connection with any of the said lines of railway above described, the same having, at the date hereof, an aggregate length of about	3,140.14
Total Mileage, all tracks	11,919.02

SECOND. All of the Railway Company's estate, right, title, interest, terms and remainders of terms, franchises, privileges and rights of action of whatsoever name and nature in law or in equity in and to the following principal trackage, terminal or operating contracts or agreements or leases, and all extensions and renewals thereof (approximate mileages shown being as at December 31, 1943):

	Miles
joint use of freight and passenger stations and other facilities at Peoria, Illinois, and trackage rights between Peoria Junction and Peoria, Illinois, having a length of about	2.02
also trackage rights between Iowa Junction and C. & N. W. Jct., near Peoria, Illinois, having a length of about	.77
(7) With W. H. Bremner as Receiver of The Minneapolis & St. Louis Railroad Company, dated April 10, 1933, for a term of 10 years, extended to expire November 24, 1953, covering trackage rights between Iowa Junction and Middle Grove, Illinois, having a length of about	27.51
(8) With Patrick H. Joyce and Luther M. Walter, Trustees of the property of Chicago Great Western Railroad Company, dated June 15, 1936, granting perpetual trackage rights between Manning and Harlan, Iowa, having a length of about	22.98
(9) With Patrick H. Joyce and Luther M. Walter, Trustees of the property of Chicago Great Western Railroad Company, dated February 8, 1940, subject to termination on 60 days' notice upon abandonment of service by Chicago and North Western Railway Company, covering trackage rights between Carroll and Manning, Iowa, having a length of about	17.41
(10) With Chicago, Saint Paul, Minneapolis and Omaha Railway Company, dated June 24, 1912, expiring May 7, 2003, covering trackage rights between Court and 28th Streets, Sioux City, Iowa, having a length of about	2.28

	Miles
1936, November 6, 1937 and August 2, 1939, subject to termination on notice at any time by either party, covering trackage rights between Mankato and Kasota, Minnesota, having a length of about	8.03
(17) With Chicago, Saint Paul, Minneapolis and Omaha Railway Company, dated October 2, 1939, subject to termination on 60 days' notice by either party, covering trackage rights at Wyeville, Wisconsin, having a length of about	.33
(18) With Wisconsin Central Railway Company and A. E. Wallace, its Receiver, and E. A. Whitman, its Receiver, and Minneapolis, St. Paul & Sault Ste. Marie Railway Company, dated May 22, 1936 and August 16, 1937, covering perpetual trackage rights between Arpin and Marshfield, Wisconsin, having a length of about	11.64
(19) With Wisconsin Central Railway Company and A. E. Wallace, its Receiver, Minneapolis, St. Paul & Sault Ste. Marie Railway Company and Gogebic & Montreal River Railroad Company, dated March 26, 1934, for a term of 99 years, expiring March 26, 2033, covering trackage rights between Bessemer, Michigan, and Hoyt, Wisconsin, having a length of about	13.85
(20) With Chicago, Milwaukee, St. Paul and Pacific Railroad Company, dated April 11, 1935, expiring December 31, 2035, covering trackage rights between Crystal Falls and Amasa, Michigan, via Kelso Junction, Michigan, having a length of about	20.15

carriage of passengers or employees of the Railway Company, now owned by or at any time hereafter acquired by the Railway Company, and any and all additions, betterments and improvements thereto; and all right, title and interest of the Railway Company now or hereafter existing with respect to any and all such property leased or possessed by the Railway Company under any Equipment Trust Obligation, including without limitation the following:

Chicago and North Western Railway Company Equipment Trust of 1927, securing Certificates of Series V
Chicago and North Western Railway Company Equipment Trust of 1929, securing Certificates of Series W
Chicago and North Western Railway Company Equipment Trust of 1929, securing Certificates of Series X
Chicago and North Western Railway Company Equipment Trust of 1929, securing Certificates of Series Y
Chicago and North Western Railway Company Equipment Trust of 1937, securing Certificates of Series Z
Chicago and North Western Railway Company Equipment Trust of 1939
Chicago and North Western Railway Company Equipment Trust of 1941
Chicago and North Western Railway Company Second Equipment Trust of 1941
Chicago and North Western Railway Company First Equipment Trust of 1942
Chicago and North Western Railway Company Second Equipment Trust of 1942
Conditional Sale Agreement between Charles M. Thomson, trustee of the property of Chicago and North Western Railway Company, and The Northern Trust Company and S. A. Weaver, as co-trustees, dated August 16, 1940
Conditional Sale Agreement between Charles M. Thomson, trustee of the property of Chicago and North Western Railway Company, and The Northern Trust Company and S. A. Weaver, as co-trustees, dated December 16, 1940

	Miles
(18) Extending from Ishpeming, Michigan, westerly to Clowry, Johnson's Siding and Martin's Landing, Michigan, having a length of about	16.16
(19) Other lines in Illinois, Wisconsin and Michigan, described as follows, having an aggregate length of about	54.72
(a) Chicago, Illinois:	
(i) Fulton Street to Kinzie Street	.08
(ii) Kinzie Street to Carpenter Street	1.01
(b) Kenosha, Wisconsin, to Bain, Wisconsin	4.38
(c) The cut-off at Sheboygan, Wisconsin	4.10
(d) Calumet Yard, near Manitowoc, Wisconsin, to Rosemere, Wisconsin	1.52
(e) Green Bay, Wisconsin—Chestnut Street to Quincy Street	.79
(f) Niagara, Wisconsin, to Quinnesec, Michigan	3.75
(g) Antoine Loop Line, near Iron Mountain, Michigan	2.06
(h) Mastodon Branch, Mastodon, Michigan	7.08
(i) Hazel, Michigan, to Gibbs City, Michigan	6.35

	Miles
(4) Extending from Kelly, Wisconsin, southwesterly to Rothschild, Wisconsin, having a length of about	3.50
(5) Extending from Aniwa, Wisconsin, easterly to Mattoon, Wisconsin, having a length of about	9.55
(6) Extending from Wolf River Junction, near Antigo, Wisconsin, easterly to White Lake, Wisconsin, with a line, Bryant, Wisconsin, to Polar, Wisconsin, having a total length of about	26.61
(7) Extending from Pratt Junction, Wisconsin, westerly to Harrison and from Parrish Junction to Paine's Spur, Wisconsin, having a total length of about.	20.17
(8) Extending from Pelican Lake, Wisconsin, northeasterly to Crandon, Wisconsin, having a length of about	17.81
(9) Extending from Monico, Wisconsin, northwesterly via Watersmeet, Michigan, to Hurley, Wisconsin, having a length of about	110.89
(10) Extending from Conover, Wisconsin, easterly to Phelps, Wisconsin, having a length of about	9.34
(11) Other lines in Wisconsin and Michigan, described as follows, having an aggregate length of about	33.95
(a) Paines Switch, Wisconsin, to Oshkosh, Wisconsin	3.17
(b) Mercer, Wisconsin, to Shea's Spur, Wisconsin	4.81

	Miles
(1) With Union Pacific Railroad Company, dated May 26, 1898, for a term of 999 years, expiring June 1, 2897, covering trackage rights between Council Bluffs, Iowa, and South Omaha, Nebraska, having a length of about	8.73
(2) With Union Pacific Railroad Company, dated September 1, 1929, expiring August 31, 1950, covering joint use of passenger depot, baggage and mail transfer facilities at Union Pacific Transfer station, Council Bluffs, Iowa	....
(3) With Union Pacific Railroad Company, dated September 1, 1898, August 1, 1899, December 27, 1924 and July 17, 1939, expiring July 1, 1949, covering joint use of passenger depot, tracks and facilities at Omaha, Nebraska	....
(4) With The Pennsylvania Railroad Company, operating the Pittsburgh, Cincinnati, Chicago and St. Louis Railroad, dated July 23, 1938, subject to termination on 30 days' notice by either party, covering trackage rights between Roosevelt and Pershing Road, Chicago, Illinois, having a length of about	2.77
(5) With Indiana, Illinois and Iowa Railroad Company (New York Central Railroad Company), dated September 10, 1902, for a term of 99 years, expiring September 10, 2001, covering trackage rights between Churchill and Ladd, Illinois, having a length of about	2.80
(6) With Peoria and Pekin Union Railway Company, dated December 1, 1911, for a term of 10 years, expired December 1, 1921, with operation thereunder being presently continued by mutual consent for an indefinite term, covering	

	Miles
(11) With Illinois Central Railroad Company, dated October 18, 1909, and March 22, 1922, granting until August 1, 1951, and thereafter perpetually, subject to continuance of the leasehold rights of Illinois Central Railroad Company from Dubuque and Sioux City Railroad Company, trackage rights between Wren, Iowa, and a point between Ninth and Tenth Streets in Sioux City, Iowa, having a length of about	11.64
(12) With Illinois Central Railroad Company, dated February 15, 1935, subject to termination on 90 days' notice by either party, covering trackage rights from a point between Ninth and Tenth Streets to a point near Grand Street, Sioux City, Iowa, having a length of about	.75
(13) With Great Northern Railway Company, dated November 10, 1934, covering perpetual trackage rights between Mission Hill and Yankton, South Dakota, having a length of about	5.63
(14) With Chicago, Saint Paul, Minneapolis and Omaha Railway Company, dated November 30, 1888, for a term of 99 years, expiring November 30, 1987, covering trackage rights between Blair and Omaha, Nebraska, having a length of about	24.70
(15) With Chicago, Burlington & Quincy Railroad Company, effective December 30, 1943, granting permanent trackage rights between Illco and Bonneville (now Shobon), Wyoming, having a length of about	87.14
(16) With Chicago, Saint Paul, Minneapolis and Omaha Railway Company, dated July 17,	

	Miles
(21) With Escanaba, Iron Mountain and Western Railroad Company, dated March 1, 1934, expiring March 1, 1969, covering lease of railroad and all other property between Antoine (near Iron Mountain) and North Escanaba, Michigan, having a length of about	50.33

THIRD. Any and all lines of railroad, rights of way, lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, now owned by, or at any time hereafter acquired by, the Railway Company, including in the property comprised in the description of this granting clause THIRD any and all main, branch, cut-off, spur, industrial, switch, connecting, storage, yard or terminal tracks, rights of way, easements, estates, superstructures, roadbeds, bridges, trestles, culverts, viaducts, buildings, depots, stations, stock yards, warehouses, elevators, car houses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph and telephone lines, fences, docks, structures and fixtures, and all other property of whatever kind, and in any wise or at any time, owned and used or useful in connection with the Railway Company's railroad operations.

FOURTH. All right, title and interest of every name and nature of the Railway Company in and to all mechanical equipment, machinery, tools, implements, furniture, supplies, materials, and other chattels now owned by or at any time hereafter acquired by the Railway Company.

FIFTH. All right, title and interest of every kind and nature of the Railway Company in and to locomotives however propelled or operated, passenger, freight or other railway cars, derricks and other work equipment or cars, buses, trucks, automobiles and other automotive machines, airplanes, vessels, boats, tugs, lighters, floats, barges and ferries, and any and all other vehicles which may be used for the transportation of freight or material or for the

Conditional Sale Agreement between Charles M. Thomson, trustee of the property of Chicago and North Western Railway Company, and The Northern Trust Company and S. A. Weaver, as co-trustees, dated April 8, 1941

Conditional Sale Agreement between Charles M. Thomson, trustee of the property of Chicago and North Western Railway Company, and Electro Motive Division of General Motors Corporation, dated as of September 15, 1942

Conditional Sale Agreement between Charles M. Thomson, trustee of the property of Chicago and North Western Railway Company, and American Locomotive Company, dated September 1, 1942

Conditional Sale Agreement between Claude A. Roth, trustee of the property of Chicago and North Western Railway Company, and American Locomotive Company, dated as of February 1, 1944

under which Equipment Trust Obligations the unpaid balance of outstanding obligations as of the close of business on May 31, 1944, aggregated $15,824,747.

SIXTH. Any and all leases, leasehold rights, joint facilities and other trackage contracts, rights and privileges and amendments and renewals and extensions thereof, whether or not specifically described in granting clause SECOND, now owned or hereafter acquired by the Railway Company for use upon or in connection with or appertaining to any of the Railway Company's lines of railroad or relating to the ownership, use or operation of any terminals or union or other stations, situated along, or at the terminus of, any of the Railway Company's lines of railroad.

SEVENTH. Any and all right, title and interest of every name and nature of the Railway Company in and to any and all telegraph, telephone or other communication facilities now owned by the Railway Company or hereafter acquired by the Railway Company; and the rights, and agreements covering the rights, to the use of any and all telegraph, telephone or other communication facilities along the Railway Company's lines of railroad, as

they may from time to time be used or subject to use by the Railway Company.

EIGHTH. Any and all right, title and interest of every name and nature of the Railway Company in and to any and all additions, betterments and improvements hereafter acquired or constructed to or upon or in connection with any of the Railway Company's lines of railroad or to or upon or in connection with any of the telegraph and telephone and other communication facilities of the Railway Company or to or in connection with any other property, real or personal, now or at any time hereafter owned by the Railway Company.

NINTH. Any and all corporate rights, powers, franchises, privileges and immunities 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 Railway Company's lines of railroad or of any other property now or hereafter subject to the lien of the Mortgage.

TENTH. Any and all property of every kind and description which may hereafter be acquired by the Railway Company and which (a) shall be acquired in replacement of or substitution for any property now owned by the Railway Company and subject to the lien of the Mortgage or which may at any time become subject to the lien of the Mortgage, or (b) shall be acquired for use upon or in connection with any of the Railway Company's lines of railroad or for use upon or in connection with any other property, real or personal, which may at the time be subject to the lien of the Mortgage, or (c) by any provision of the Mortgage the Railway Company is required to convey, mortgage, pledge, assign or transfer to the Trustee.

ELEVENTH. Any and all property of every kind and description, in addition to that above described, which, at any time hereafter, by indenture or indentures supplemental hereto, or other instruments of transfer, may be expressly conveyed, mortgaged or pledged, delivered, assigned or transferred to the Trustee here-

January 1, 1939, securing an issue of Chicago and North Western Railway Company First Mortgage, Des Plaines Valley Divisional 4% Bonds, due January 1, 1969, in the principal amount of $2,500,000, a closed issue.

The line of railroad described in item (23) of subdivision I of granting clause FIRST above, extending from Moville, Iowa, northwesterly to Sergeant Bluff, Iowa (Sioux City and Pacific Rail Road), and having a length of about 19.57 miles, the line of railroad described in item (25) of subdivision I of granting clause FIRST above, extending from California Junction, Iowa, northerly to Sioux City, Iowa (Sioux City and Pacific Rail Road), and having a length of about 69.88 miles, and a certain part of the line of railroad described in subdivision II of granting clause FIRST above as extending from Missouri Valley, Iowa, to Casper, Wyoming, said part consisting only of about 28.06 miles of what is commonly known as the Sioux City and Pacific Rail Road and extending westerly from California Junction, Iowa, to Fremont, Nebraska, and property appurtenant thereto, are subject to the prior lien of the Railway Company's Divisional First Mortgage and Deed of Trust to The New York Trust Company, Trustee, dated as of January 1, 1939, securing an issue of Chicago and North Western Railway Company First Mortgage, Sioux City & Pacific Divisional 4% Bonds, due January 1, 1969, in the principal amount of $4,000,000, a closed issue.

It is hereby covenanted and declared that all bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money and all stock certificates and other evidences of proprietary interest in a corporation or other analogous legal entity at any time pledged or deposited under any provision of a mortgage or lien prior to the lien of the Mortgage, and all cash at any time held thereunder (save and except moneys made available for interest due and held in trust thereunder for payment, moneys held in trust for the redemption of bonds issued thereunder and funds held for the retirement of debt by the terms thereof but not by the terms of the Mortgage), shall, subject to such prior lien, be and be deemed to be subject to the lien

pany, notwithstanding the fact that the Railway Company may own or hereafter acquire all or substantially all the securities issued by any such corporation or that any such corporation may be incorporated or organized at the instance of or for the account of the Railway Company; provided that nothing herein shall be deemed to diminish the lien hereof or any rights under such lien upon any stocks or securities of any such corporation which may hereafter be specifically mortgaged and pledged hereunder or required so to be; and

(c) any lands (other than railroad rights of way and railroad yards, station and terminal grounds) heretofore granted to the Railway Company or any predecessor railway by the United States or any state of the United States or by any county in any of said states.

(4) It is not intended to subject to the lien hereof, and this grant shall not be deemed to apply to (a) any rents, issues, tolls, profits or other income of the premises and property herein or hereafter mortgaged and conveyed or assigned, or (b) any cash (except cash deposited with the Trustee pursuant to any of the provisions of the Mortgage or otherwise becoming, or deemed to become, subject to the lien of the Mortgage by virtue of any of its provisions), government securities, federal, state and local, or bills, notes or accounts receivable (other than government securities or bills, notes or accounts receivable becoming, or deemed to become, subject to the lien of the Mortgage by virtue of any of its provisions) or (c) any materials and supplies, unless and until possession of the mortgaged property has been taken by any receiver, trustee or otherwise after one or more of the Events of Default enumerated in Section 2 of Article XIV shall have occurred, whereupon all such rents, issues, tolls, profits and other income, cash, government securities, bills, notes and accounts receivable and materials and supplies shall immediately become subject to the lien hereof to the extent permitted by law.

(5) The provisions of the Mortgage shall be construed, and the lien of the Mortgage at any time shall be determined, in con-

authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or the First Mortgage; the right, charge, lien or title of any such Equipment Trust Obligation with respect to equipment subjected thereto as aforesaid shall in all respects be free from and prior to the lien of the Mortgage; and the lien of the Mortgage shall attach only to the right, title and interest of the Railway Company then or thereafter existing with respect to such equipment, as provided by granting clause FIFTH.

(e) Nothing in the Mortgage, express or implied, is intended or shall be construed to limit the right or power of the Railway Company which is hereby expressly reserved, to use and apply any of its materials and supplies in the routine maintenance and repair of railroad equipment, whether owned by the Railway Company or by any other railroad, after one or more Events of Default shall have occurred and be continuing.

TO HAVE AND TO HOLD, unto the Trustee and its successors in trust and assigns, forever, all said premises, railroads, railroad property, appurtenances, rights, privileges, franchises, estates, leaseholds, securities and other property, real, personal and mixed, hereby mortgaged, pledged, conveyed, assigned or transferred, or intended so to be, or which may in any manner become subject to the lien of the Mortgage whether by indentures supplemental hereto or otherwise (all of which property at any given time subject to the lien of the Mortgage, whether by the terms of the Mortgage, including the after-acquired property clauses thereof, or by subsequent conveyance, delivery or pledge to the Trustee, or otherwise, is herein sometimes referred to as the "mortgaged property");

UNDER AND SUBJECT, HOWEVER, to all and singular the prior lien of the mortgages hereinabove specifically set forth, to all and singular the other matters hereinabove set forth in the granting clauses hereof, to such Permitted Encumbrances as are defined in clauses (a) to (f) of the definition of Permitted Encumbrances in Article I, to the prior rights, charges, lien and title un-

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of the Mortgage have the respective meanings specified in this Article I.

Additions, Amount of Additions, Amount of Retirements, Net Capital Fund Expenditures, Bondable Additions, Bondable Net Additions, Uniform System of Accounts:

A. "Additions" shall mean all physical property, or any undivided interest therein, becoming subject to the lien of the Mortgage, or located on any leasehold subject to the lien of the Mortgage, and in either case acquired or constructed after December 31, 1938 by the Railway Company, the cost or investment in which, at the time of the acquisition or construction, was properly chargeable in accordance with the Uniform System of Accounts to any of the following accounts:

701—Road and Equipment Property;
702—Improvements on Leased Property;
705—Miscellaneous Physical Property.

B. "Amount of Additions" as of any particular time shall mean the aggregate of all amounts which shall have been charged with respect to Additions under the Uniform System of Accounts to Accounts 701, 702 and 705; and the term "amount" when used with reference to any particular property constituting Additions shall mean the amount so charged with respect to such property.

Whenever property constituting Additions consists of acquisitions from others of railroad property which shall be required under the Uniform System of Accounts to be charged to Accounts 701, 702 or 705 at the original cost of such property when first devoted to railway purposes, and such original cost is greater than the cost thereof to the Railway Company determined in accordance with the Uniform System of Accounts (the difference being reflected in other offsetting accounts such as 702½A), there shall

C. "Amount of Retirements" as of any particular time shall mean such amounts as shall have been credited under the Uniform System of Accounts to Accounts 701, 702 and 705 with respect to all property subject to the lien of the Mortgage, or located on any leasehold subject to such lien, and in either case retired after December 31, 1938, by the Railway Company; provided that the following adjustments shall be made and taken into account:

(a) If there have not been credited under Accounts 701, 702 and 705, retirements with respect to property released from the Mortgage or taken by eminent domain or property destroyed covered by insurance in whole or in part, at the time of such release, taking or destruction, as the case may be, such retirements shall be deemed to have been made, at such time in each such case, for the purpose of adjusting the Amount of Retirements and the Amount of Retirements shall be increased thereby.

(b) In determining the Amount of Retirements there shall be deducted, without duplication of deductions,

(1) amounts representing exhaustion of service life and value of equipment (i) occurring prior to January 1, 1939, with respect to equipment owned by the Railway Company on that date and thereafter retired, and (ii) occurring prior to the date of acquisition by the Railway Company with respect to equipment acquired by it on or after January 1, 1939, and thereafter retired; such amounts to be computed on the basis of the ratio borne by time elapsed between January 1, 1939, or the date of acquisition, as the case may be, and the date of retirement, to the total average life of the particular type of equipment as established for purposes of depreciation rates effective at the time of retirement;

(2) amounts representing (i) exhaustion of service life and value occurring prior to January 1, 1939, and reflected in the reduction of capital made by the Plan, with respect to roadway and other property (exclusive of equipment) owned by the Railway Company on that date, and thereafter retired,

under by the Railway Company or by a successor corporation, or with its consent by anyone in its behalf, as and for additional security or substitute security for the Bonds issued and to be issued hereunder, the Trustee being hereby authorized at any time and at all times to receive such conveyance, mortgage, pledge, delivery, assignment or transfer and to hold and apply any and all such properties subject to the trusts of the Mortgage; provided that any such conveyance, mortgage, pledge, delivery, assignment or transfer made pursuant to the provisions of this granting clause ELEVENTH as and for additional security or substituted security may be made subject to any liens, reservations, limitations, conditions and provisions, consistent with the provisions of the Mortgage, which shall be specified or set forth in such supplemental indenture or instrument of transfer.

TWELFTH. Any and all property which may now or at any time hereafter be subject to the lien of the Railway Company's First Mortgage, it being the intention that the Mortgage shall constitute a lien junior to the lien of the First Mortgage on any and all property (save and except moneys made available for interest due on First Mortgage Bonds and held in trust for the payment thereof, moneys held in trust for the redemption of First Mortgage Bonds under the First Mortgage and funds held for the retirement of debt by the terms thereof but not by the terms of the Mortgage) which may at any time be subject to the lien of said First Mortgage.

THIRTEENTH. All rents, issues, tolls, profits and other income from the premises and property herein or hereafter mortgaged and conveyed or assigned, or intended so to be.

The line of railroad described in item (2) of subdivision I of granting clause FIRST above, extending from Proviso Yard, Illinois, northerly via Des Plaines to Valley, Illinois (Des Plaines Valley Railway), and having a length of about 19.67 miles, and property appurtenant thereto, are subject to the prior lien of the Railway Company's Divisional First Mortgage and Deed of Trust to Guaranty Trust Company of New York, Trustee, dated as of

of the Mortgage and to have been pledged, deposited or to be held, as the case may be, hereunder; and upon cancellation or release of such prior lien any thereof then held thereunder shall (unless required to be deposited, pledged or held under another lien prior to the lien of the Mortgage) be delivered over to the Trustee and thereafter held by it subject to the terms of the Mortgage as if pledged, deposited or paid over to the Trustee in the first instance.

For the purposes of the foregoing:

(1) The "Railway Company's lines of railroad" shall be deemed to include any main or branch or cut-off lines of railroad, and any and all main, branch, spur, industrial, switch, connecting, storage, yard or terminal tracks, which the Railway Company may own in fee, either solely or jointly, or over which the Railway Company may operate or have any right to operate under any lease or trackage agreement.

(2) Out of the grants hereby made, the last day of the term of each leasehold estate (whether created orally or by written instrument) now or hereafter enjoyed by the Railway Company is hereby excepted and reserved, whether falling within the general or particular description of property herein.

(3) It is not intended to subject to the lien hereof, and this grant shall not be deemed to apply to

(a) bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money, and stock certificates and other evidences of a proprietary interest in a corporation or other analogous legal entity, which are now owned or hereafter acquired or possessed by the Railway Company, unless the same or the proceeds thereof are hereby, or hereafter shall be, specifically mortgaged and pledged hereunder or required so to be;

(b) any of the property and franchises of any other corporation of whatever character, any securities whereof may be now owned or hereafter acquired or possessed by the Railway Com-

formity with the following grants, restrictions, and rules of construction, which shall prevail over any other provision of the Mortgage in the event of any inconsistency therewith:

(a) Subject to the limitations of Article IX, the provisions of the Mortgage which may reasonably be construed to subject to the lien thereof property which may be hereafter acquired by the Railway Company, or in which the Railway Company may hereafter acquire an interest, shall be construed as applying to such property, and a liberal scope and effect shall be given to such provisions.

(b) Nothing in the Mortgage, express or implied, is intended or shall be construed to limit the right or power of the Railway Company, which is hereby expressly reserved, to acquire any property or interest therein subject to the liens or charges existing thereon at the time of the acquisition thereof, or to create any purchase money mortgage thereon.

(c) Nothing in the Mortgage, express or implied, is intended or shall be construed to limit the right of the Railway Company, which is hereby expressly reserved, to consolidate with, merge into, or to convey or lease the mortgaged property as a whole, or substantially as a whole, to another corporation or corporations, or to merge another corporation or corporations into the Railway Company, or to acquire the property, as a whole or substantially as a whole, of another corporation or corporations, all as provided and with the exceptions and upon the terms and conditions set forth in Article IX hereof.

(d) Nothing in the Mortgage, express or implied, is intended or shall be construed to limit the right or power of the Railway Company, which is hereby expressly reserved, to subject equipment constructed or acquired for its use, at any time within three (3) years from the date the same be so constructed or acquired, to any Equipment Trust Obligation which the Railway Company may desire to create or undertake for the purpose of funding the cost of such equipment, provided such equipment has not theretofore been made the basis for the

der Equipment Trust Obligations existing at the time of the delivery of the Mortgage, or thereafter created in accordance with its terms with respect to any of the mortgaged property, in each case only to the extent that the same by its terms attaches, and, with respect to all property now or hereafter subject to the lien hereof (excluding cash escrowed under Section 3 of Article III, moneys made available for interest due on Bonds issued hereunder and held in trust for the payment thereof, or reserved for the payment of interest on such Bonds when deposited with the Trustee as contemplated by Section 2 (i) of Article V, moneys held in trust hereunder for the redemption of Bonds issued hereunder and funds held for the retirement of debt by the terms hereof but not by the terms of the First Mortgage), to the prior lien of the First Mortgage.

BUT IN TRUST, NEVERTHELESS, upon the terms and trusts of the Mortgage for the benefit and security of all present and future holders of Bonds and coupons, if any, according to their tenor, purport and effect, without preference, priority or distinction (except as provided in the Mortgage to the contrary) as to lien or otherwise; so that (except as aforesaid) each and every Bond and coupon, if any, shall have the same right, lien and privilege under the Mortgage and shall be equally secured thereby as if all had been dated, issued, sold and negotiated simultaneously;

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds and coupons for interest thereon, if any, are to be issued, authenticated and delivered, and that the mortgaged property is to be held and disposed of by the Trustee, upon and subject to the following covenants, conditions, uses and trusts:

be deducted from the amount of such property as shown in Accounts 701, 702 or 705, for the purpose of determining Amount of Additions, any excess of such original cost over the amount of the expenditures of the Railway Company in the acquisition of such property, as reflected in said offsetting accounts.

In the event that the securities issued by Escanaba, Iron Mountain & Western Railway Company, Sioux City Bridge Company or Superior Coal Company, or securities issued by way of renewal or extension thereof or in substitution therefor, have been pledged with the Trustee or with the trustee under the First Mortgage in connection with the authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or the First Mortgage, upon the basis of Refundable Obligations described in clauses (c) or (d) of the definition of Refundable Obligations in Article I, and thereafter the Railway Company shall acquire by merger, consolidation or otherwise all or substantially all of the assets of the corporation whose securities are so pledged, or if, in any event, the Railway Company shall so acquire the assets as a whole or substantially as a whole of Chicago, Saint Paul, Minneapolis and Omaha Railway Company, the property of any said corporation so acquired which was owned by it on January 1, 1939, shall not be deemed to be Additions for purposes of any computation of Amount of Additions.

Any property which the Railway Company under the provisions of Section 5 or Section 7 of Article VII has covenanted not to use as a basis for the issue of Bonds or the withdrawal of cash or the release of property under any provision of the Mortgage shall not be deemed to be Additions for purposes of any computation of Amount of Additions.

Nothing in the two preceding paragraphs shall be deemed to mean or imply that the retirement of property specified therein after the acquisition thereof in the manner therein provided shall not be regularly credited by the Railway Company to appropriate accounts or taken into account in determining Amount of Retirements.

and (ii) the excess of the cost, as shown in Accounts 701, 702 and 705, of roadway and other properties (exclusive of equipment) acquired by the Railway Company from time to time subsequent to January 1, 1939, and subsequently retired, over the actual cost thereof to the Railway Company; but in either case only to the extent properly chargeable under the Uniform System of Accounts to adjustment accounts such as Account 702½A or accounts created out of Account 702½A.

D. "Net Capital Fund Expenditures" as of any particular time shall mean the excess (or deficiency) of the Amount of Additions paid for from the Capital Fund, plus the amount of Equipment Trust Obligations paid as they shall have become due after December 31, 1938, from the Capital Fund, over (or under) the Amount of Retirements.

If the Net Capital Fund Expenditures show a deficiency, there shall be deducted from Bondable Additions an amount sufficient to make up such deficiency in determining Bondable Net Additions to be used as a basis for the authentication and delivery of Bonds or the withdrawal of cash under any provision of the Mortgage.

E. "Bondable Additions" as of any particular time shall mean the Amount of Additions after deducting the amount of

(a) all property constituting Additions (other than equipment), to the extent that the cost thereof has been paid out of the Capital Fund, except property as to which not more than 25% of the cost has been so paid under the conditions and limitations of clause (c) (ii) of Part B of Section 1 of Article V, and

(b) all equipment constituting Additions acquired through issuance of, or application of the proceeds of, Equipment Trust Obligations, and all other equipment more than 25% of the cost of which shall have been paid out of the Capital Fund after taking into account all reimbursements of the Capital Fund with respect thereto as provided by Section 14 of Article VI, and

(c) all property constituting Additions acquired by the Railway Company through grants or donations or from the proceeds of the issue and disposition of First Mortgage Bonds reserved for rehabilitation under Section 2 of Article III of the First Mortgage.

F. "Bondable Net Additions" shall mean Bondable Additions less the aggregate of:

(a) The amount, if any, of any deficiency in Net Capital Fund Expenditures;

(b) The amount of any reduction in the Amount of Additions pursuant to the requirements of Section 3 of Article V of the Mortgage with respect to any equipment (unless such equipment is reserved in the computations shown by any application as permitted by the last paragraph of this subdivision F) which shall be shown not to be new equipment on the date of any application for the authentication and delivery of Bonds or for the withdrawal of cash;

(c) (i) The amount of equipment constituting Additions which is or has at any time after January 1, 1939 been made security by lien or otherwise for any Equipment Trust Obligation, unless acquired with a line of railroad or a terminal on which it has been operating; and

(ii) The amount of any property constituting Additions which are an improvement or betterment of equipment; and

(iii) The amount of any property constituting Additions which is subject to a Prior Lien (unless such property is reserved under the last paragraph of this subdivision F) whenever the total amount of Prior Lien Bonds at the time outstanding secured by such Prior Lien exceeds 75% of the amount of property subject to such lien; and

(iv) The amount of any property constituting Additions not previously Bonded which is located on any leasehold subject to the lien of the Mortgage which by its terms expires prior to the latest maturity date of any Bonds or First Mort-

Additions under the provisions of Article III of the Mortgage and of the First Mortgage (other than pursuant to clause (b) of Section 7 of Article VIII in either case).

In computing Bondable Net Additions for any period, the deductions (a) to (e) of this subdivision F need be made only to the extent not previously deducted in any application covering a prior period for the authentication and delivery of Bonds or the withdrawal of cash under any provision of the Mortgage.

The term "removable property," as used in this subdivision F and elsewhere in the Mortgage, shall be deemed to mean all tangible personal property, and all fixtures which can be removed from the real property to which they are attached without material impairment of their value.

In computing Additions, Amount of Additions, Amount of Retirements, Net Capital Fund Expenditures, Bondable Additions, and Bondable Net Additions, all property constituting Additions either acquired or constructed after December 31, 1938 or retired after December 31, 1938 or paid for from the Capital Fund, by the trustee of the Debtor appointed in the reorganization proceedings hereinbefore referred to, shall, for the purposes hereof, be deemed and treated to have been acquired, constructed, or retired, or paid for, as the case may be, by the Railway Company, and all such property so acquired shall be deemed to have become subject to the lien of the Mortgage or to have been located on a leasehold subject to such lien. If the amount of any property constituting Additions certified to the Trustee as the basis for any particular purpose shall be in excess of the amount of such property required for such purpose, such amount shall be deemed to have been made the basis for such purpose to the extent required and such excess shall not be deemed to have been made the basis for such purpose.

In computing Bondable Additions and Bondable Net Additions for the period covered by any application the Railway Company may elect in connection therewith to reserve and

trustee of the Debtor appointed in the reorganization proceedings hereinbefore referred to, arising during such year, less the fixed charges accruing during such year, subject to the following:

(a) "Income available for fixed charges" and "fixed charges" shall be determined in accordance with the Uniform System of Accounts, except that charges to operating expenses in respect of retirements of non-depreciable property not replaced shall not be taken into account in determining "Income available for fixed charges."

(b) In determining Available Net Income for any year any adjustment necessary to correct the income account for any prior year, whether before or after January 1, 1939, shall be made by appropriate entries and may either be made in the accounts of the current year (unless in violation of applicable orders, instructions and regulations) or in the discretion of the Board of Directors and subject to any requisite approval of the Interstate Commerce Commission or other governmental authority having jurisdiction, may be made in whole or in part in the accounts of any subsequent year or years, and in determining Available Net Income for any year any such debits or credits made in the accounts of that year to adjust entries in the income account of prior years, whether cleared through income or profit and loss accounts, shall be treated as income items for the year in which they are entered on the books.

(c) All computations of Available Net Income shall be made on a calendar year basis and such calendar year shall constitute an income period.

(d) If in any income period there shall be failure to earn fixed charges, such deficit shall be added to the fixed charges in the next succeeding income period or periods except and to the extent that such deficit shall be met from the Capital Fund under the provisions of clauses (d) or (e) of Part B of Section 1 of Article V.

Equipment Trust Obligation, equipment:

"Equipment Trust Obligation" shall mean any obligation of the Railway Company (other than Bonds and First Mortgage Bonds) issued under, and secured by a right, charge, lien or title with respect to equipment evidenced by, an equipment trust agreement, lease, conditional sale agreement, chattel mortgage or other such instrument, or, if the context so indicates, any of such instruments. The term "equipment" when used independently or with reference to Equipment Trust Obligations shall include locomotives, however propelled or operated, passenger, freight or other railway cars, derricks and other work equipment and cars, buses, trucks, automobiles and other automotive machines, airplanes, vessels, boats, tugs, lighters, floats, barges and ferries and any and all other vehicles which may be used by the Railway Company for the transportation of freight or material or for the carriage of passengers or its employees.

Event of Default:

"Event of Default" shall mean any event of default defined in Section 2 of Article XIV.

Mortgage, First Mortgage, First Mortgage Bonds, etc.

"Mortgage" shall mean this mortgage 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. "First Mortgage" shall mean the mortgage executed and delivered by the Railway Company to The First National Bank of Chicago, as trustee, dated as of January 1, 1939, as amended and supplemented from time to time, or any lien or mortgage substituted in accordance with Section 9 of Article VI hereof having a substantially equivalent lien on the mortgaged property as a whole, and "First Mortgage Bonds" shall mean any bonds authenticated and delivered under the First Mortgage.

"Secured Serial Payment Notes" shall mean not only the Railway Company's Secured Serial Payment Notes, due January

cumbrances in connection with litigation against the Railway Company or any Qualified Subsidiary concerning claims for personal injuries or damages to property arising out of the operation of business which are entitled to priority over the lien of the Mortgage by operation of law; other liens not exceeding $100,000 in the aggregate, which arise out of litigation against the Railway Company and are prior to the lien of the Mortgage as to any Bonds; other liens against any Qualified Subsidiary, in an amount not exceeding $20,000; liens for the payment or discharge of which provisions satisfactory to the Trustee have been made; mechanics', laborers', materialmen's and similar liens not then delinquent; any of such liens irrespective of amount, whether or not delinquent, the validity of which is being contested at the time by the Railway Company, or any Qualified Subsidiary, in good faith; and undetermined liens or charges incidental to construction.

(b) Liens securing indebtedness neither payable nor assumed nor guaranteed by the Railway Company, or any Qualified Subsidiary, nor on which it customarily pays interest, on property with respect to which the Railway Company, or any Qualified Subsidiary, owns easements or rights of way.

(c) Rights reserved to or vested in any governmental authority or agency or in any municipality by the terms of any franchise, grant, license or permit or by any provision of law to terminate such franchise, grant, license or permit or to purchase or appropriate or recapture or to designate a purchaser of any of the mortgaged property; or to demand and collect any tax or other compensation for the use of streets or other public places or to control or regulate the mortgaged property.

(d) Any obligation or duty affecting the mortgaged property or the uses, removal, control or regulation thereof arising

(a) Prior Lien Bonds theretofore cancelled;

(b) Prior Lien Bonds held in pledge under any provision of the Mortgage or of the First Mortgage;

(c) Prior Lien Bonds held in pledge by the trustee or other holder of the mortgage or other lien securing such Prior Lien Bonds for the purpose of any sinking fund or analogous fund for the retirement of Prior Lien Bonds for which provision may have been made in the instrument evidencing such mortgage or other lien;

(d) Redeemed Prior Lien Bonds and Prior Lien Bonds for the purchase of which moneys in the necessary amount shall have been irrevocably deposited with the Trustee or with the trustee or other holder of the mortgage or other lien securing such Prior Lien Bonds (whether upon or prior to maturity of such Prior Lien Bonds); and

(e) Lost, stolen, mutilated or destroyed Prior Lien Bonds in lieu of or in substitution for which other Prior Lien Bonds shall have been issued.

Qualified Subsidiary, Fundable Subsidiary Bonds, Trusteed Subsidiary Bonds:

A. "Qualified Subsidiary" shall mean any corporation owning one or more lines of railroad or bridges connected directly, or by leasehold rights, trackage rights, or other similar operating rights, with the lines of railroad owned by the Railway Company, which the Board of Directors shall by resolution determine to be necessary or useful in connection with the operation of the Railway Company's system and of which at least 90% of the total outstanding capital stock of each class shall be owned by the Railway Company and pledged with the Trustee, whether under the provisions of Section 5 of Article III or pursuant to any other provision of the Mortgage.

B. "Fundable Subsidiary Bonds" shall mean:

(a) The bonds of a Qualified Subsidiary which shall have been issued prior to the time of its qualification and

gage Bonds outstanding or for the authentication and delivery of which application is concurrently being made, unless under the terms of such leasehold the Railway Company has the right to be reimbursed in respect of any expenditures for such Additions or, if such Additions be removable property, the right to remove the same, upon termination thereof;

provided that no deduction need be made as provided in clauses (i) to (iv), inclusive, as to any amount of property constituting Additions which has been paid for from the Capital Fund or through Equipment Trust Obligations;

(d) The amount of property constituting Additions which shall have been made the basis for the withdrawal of cash under clause (b) of Section 7 of Article VIII; and

(e) 133⅓% of:

(i) The principal amount of all Bonds and First Mortgage Bonds issued and all cash withdrawn under the Mortgage and the First Mortgage on the basis of the pledge of stock and Fundable Subsidiary Bonds of any Qualified Subsidiary, the property of which shall subsequently have been acquired by the Railway Company as, or substantially as, an entirety; and

(ii) The principal amount of all Prior Lien Bonds at the time outstanding which are a Prior Lien upon any property constituting Additions (unless the amount of such property has been deducted under clause (c) (iii) of this subdivision F, or such property is reserved under the last paragraph of this subdivision F); and

(iii) The principal amount of all Bonds and First Mortgage Bonds theretofore authenticated and delivered, and all cash theretofore withdrawn under the Mortgage or the First Mortgage, to refund or pay and cancel Prior Lien Bonds which were Refundable Obligations; and

(iv) The principal amount of all Bonds and First Mortgage Bonds theretofore authenticated and delivered and all cash theretofore withdrawn on the basis of property constituting

eliminate from such computation (with full right reserved to restore in any subsequent application) any property constituting Additions.

G. "Uniform System of Accounts" shall mean the Uniform System of Accounts for Steam Railroads and the rules, regulations or orders thereunder of the Interstate Commerce Commission at the time in effect (unless a different time shall be specified) or if there shall no longer be any such Uniform System of Accounts for Steam Railroads then any regulatory system of accounts of any other federal governmental authority having jurisdiction in the premises, or if there be none (and in any case in the absence of any applicable rule, regulation or order) usual accounting principles approved by a certified public accountant selected by the Railway Company and satisfactory to the Trustee.

If the Uniform System of Accounts pertaining to Accounts 701, 702, 702½A and 705 be modified, or any other account or accounts be substituted for such accounts, all items properly constituting charges or credits to the combination of accounts which shall perform the present functions of such accounts shall be used in determining Additions, the Amount of Additions and the Amount of Retirements. If there shall no longer be any combination of accounts which shall perform the functions now performed by Accounts 701, 702, 702½A and 705 or any of such accounts all items which would properly constitute charges or credits to the investment account of the Railway Company and which would reflect net improvements, betterments and extensions of or additions to road and equipment, improvements on leased property and miscellaneous physical property as presently reflected by the above numbered accounts shall be used in determining Additions, the Amount of Additions and the Amount of Retirements.

Available Net Income:

"Available Net Income" for any year shall mean the income available for fixed charges of the Railway Company, or of the

Board of Directors, etc.:

"Board of Directors" shall mean the Board of Directors of the Railway Company as from time to time constituted, and except when the vote of a specified percentage or number of the Board of Directors is required, any action by any executive committee or other committee of the Board of Directors, in accordance with authority granted it by resolution of the Board of Directors or by the by-laws of the Railway Company to act in place of the Board of Directors for any purpose or during any period, shall for all purposes of the Mortgage be deemed to be the action of the Board of Directors. The "Finance Committee" shall mean the Finance Committee of the Railway Company as from time to time constituted under the by-laws of the Railway Company as such by-laws shall exist on the date the Mortgage becomes effective or any committee which under any amendment of such by-laws shall perform substantially similar functions.

Bonded:

Additions, Bonds, Refundable Obligations, stocks of a Qualified Subsidiary and Fundable Subsidiary Bonds shall be deemed to be "Bonded" when made the basis (a) for the authentication and delivery of Bonds or for the withdrawal of cash under any provision of the Mortgage, or (b) for the authentication and delivery of First Mortgage Bonds or the withdrawal of cash held by the trustee of the First Mortgage, under any provision thereof.

If any Additions, Bonds, Refundable Obligations, stocks of a Qualified Subsidiary or Fundable Subsidiary Bonds made the basis for any of the foregoing shall be in excess of the amount thereof required for the purpose, the same shall be deemed to be Bonded to the extent so used and such excess shall not be deemed to be Bonded.

Bonds:

"Bonds" shall mean all bonds of any series which have been authenticated and delivered at any time under the Mortgage.

1, 1954, issued under the Railway Company's Secured Note Agreement dated as of January 1, 1939, but also any and all Secured Serial Notes and Serial Note Scrip Certificates of the Railway Company issued upon exchanges permitted by said Secured Note Agreement; "15-Year Collateral 4% Notes" shall mean the Railway Company's 15-Year Collateral 4% Notes, due January 1, 1954, issued under the Railway Company's Collateral Trust Indenture dated as of January 1, 1939; "Sioux City Divisional Bonds" shall mean the Railway Company's First Mortgage, Sioux City & Pacific Divisional 4% Bonds, due January 1, 1969, issued under the Railway Company's Divisional First Mortgage and Deed of Trust dated as of January 1, 1939; and "Des Plaines Valley Divisional Bonds" shall mean the Railway Company's First Mortgage, Des Plaines Valley Divisional 4% Bonds, due January 1, 1969, issued under the Railway Company's Divisional First Mortgage and Deed of Trust dated as of January 1, 1939.

Officers' Certificate:

"Officers' Certificate" shall mean a certificate signed by the President or a Vice President of the Railway Company, by its Chief Engineer or his Assistant, and by an accountant who shall be the Comptroller or any other accounting officer of the Railway Company. Each such certificate shall comply with Section 2 of Article XVIII to the extent applicable.

Opinion of Counsel:

"Opinion of Counsel" shall mean a written opinion of counsel, who may be counsel for the Railway Company, satisfactory to the Trustee. Each such opinion shall comply with Section 2 of Article XVIII to the extent applicable.

Permitted Encumbrances:

"Permitted Encumbrances" shall mean, as of any particular time, any of the following:

(a) Liens for taxes, assessments or governmental charges not then delinquent; liens for workmen's compensation awards and similar obligations not then delinquent; liens or en-

under any provision of law or any franchise, grant, license or permit granted or issued by any public authority.

(e) Rights of lessees under leases from the Railway Company, or any Qualified Subsidiary, and interests of others than the Railway Company, or any Qualified Subsidiary, in property owned jointly or in common.

(f) Easements, rights of way, exceptions, reservations, restrictions, conditions, limitations, covenants, adverse rights or interests and any other defects or irregularities in title affecting the mortgaged property which in the opinion of any Vice President of the Railway Company or its Chief Engineer or his Assistant do not materially affect the use of the mortgaged property for the purposes for which it is held by the Railway Company, or any Qualified Subsidiary, as the case may be, and may be properly ignored as to their effect upon the security of the Mortgage.

(g) The lien of the mortgage securing the Sioux City Divisional Bonds and the lien of the mortgage securing the Des Plaines Valley Divisional Bonds.

(h) The lien of the First Mortgage.

Prior Lien, Prior Lien Bonds:

"Prior Lien" shall mean any lien prior to the lien of the Mortgage (other than a Permitted Encumbrance or the prior right, charge, lien or title of an Equipment Trust Obligation) existing at any time on any property constituting Additions which is subject to the lien of the Mortgage; "Prior Lien Bonds" shall mean any indebtedness or obligation secured by a Prior Lien.

The term "outstanding" when used with reference to Prior Lien Bonds shall mean as of any particular time all Prior Lien Bonds theretofore authenticated and delivered by the trustee under the mortgage or other lien securing the same, and (if there be no such trustee) all Prior Lien Bonds theretofore issued and delivered by the maker of such mortgage or other lien, in either case excepting:

shall be outstanding immediately prior thereto, but only to the extent that such bonds shall not exceed in principal amount 75% of the excess of

(i) the cost of the physical property of such Qualified Subsidiary unretired at the time of qualification (other than equipment then or at any previous time securing Equipment Trust Obligations), as shown by its accounts, over

(ii) the expenditures made by the Railway Company, as shown by its accounts, for the acquisition of the stock of such Qualified Subsidiary,

but for the purpose of the foregoing requirement bonds of such Qualified Subsidiary may be disregarded to the extent that they shall have been pledged with the Trustee by the Railway Company under instructions expressed to be irrevocable providing that such bonds shall never form the basis for the authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or of the First Mortgage, and bonds so pledged (herein sometimes called "Trusteed Subsidiary Bonds") shall not be deemed to be Fundable Subsidiary Bonds; and

(b) The bonds of a Qualified Subsidiary issued after the date of its qualification; provided that any outstanding bonds of such Qualified Subsidiary issued prior to the time of its qualification are either Fundable Subsidiary Bonds or Trusteed Subsidiary Bonds, and that net additions to physical property (other than equipment which is or has been security for Equipment Trust Obligations) have been acquired by such Qualified Subsidiary after such date through expenditures as shown by its accounts in an aggregate amount at least equal to 133⅓% of the aggregate principal amount of bonds so issued after date of qualification;

provided that:

(c) All such bonds of any Qualified Subsidiary shall be of an issue secured by general lien on all or substantially all of the physical property of such Qualified Subsidiary subject only to Permitted Encumbrances or the prior right, charge, lien or title of Equipment Trust Obligations; and

(d) Any bonds of a Qualified Subsidiary shall be deemed to be Trusteed Subsidiary Bonds and not Fundable Subsidiary Bonds in case the same are

(i) pledged with the Trustee in connection with the authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or the First Mortgage, upon the basis of Refundable Obligations described in clause (c) or (d) of the definition of Refundable Obligations in this Article I, or

(ii) bonds of the Chicago, Saint Paul, Minneapolis and Omaha Railway Company issued and outstanding on December 31, 1938, or obligations issued in extension or renewal thereof or in substitution therefor.

So long as the First Mortgage shall remain a lien on the mortgaged property the term "pledged with the Trustee" when used in subdivisions A and B above, shall contemplate a pledge with the trustee under the First Mortgage, subject to the terms thereof, instead of a pledge with the Trustee.

Refundable Obligations:

"Refundable Obligations" shall mean:

(a) Any First Mortgage Bonds theretofore authenticated and delivered under the First Mortgage, other than First Mortgage Bonds issued for emergency purposes under Section 3 of Article III thereof, and any Bonds theretofore authenticated and delivered.

(b) Any obligation of the Railway Company (other than the Secured Serial Payment Notes) secured by pledge of any First Mortgage Bonds or any Bonds, but only to the extent of the

the time securing such Notes shall be pledged with the Trustee, (ii) prior to such time none of the collateral for said notes originally consisting of

	Principal Amount or Par Value
Chicago, Saint Paul, Minneapolis and Omaha Railway Company first mortgage series-A 5% bonds due March 1, 2000	$45,186,000
Indiana Harbor Belt Railroad Company capital stock	$1,520,000
Sioux City Bridge Company capital stock	945,800
Superior Coal Company capital stock	2,000,000

shall have been withdrawn or substituted for except in accordance with the provisions of the indenture under which such Notes were issued and (iii) prior to such time none of the corporations whose securities are included in the collateral so pledged with the Trustee shall have issued stock or created indebtedness otherwise than in conformity with the provisions of said indenture.

(e) All or any part of Four Million Dollars ($4,000,000) in principal amount of the Sioux City Divisional Bonds, or any extended bond or bonds of such issue.

(f) All or any part of Two Million Five Hundred Thousand Dollars ($2,500,000) in principal amount of the Des Plaines Valley Divisional Bonds, or any extended bond or bonds of such issue.

(g) Any Prior Lien Bond whether or not created or assumed by the Railway Company, provided (1) that 133⅓% of the principal amount thereof has theretofore been deducted from the Amount of Additions made the basis for the authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or the First Mortgage; and (2) that if and when the Railway Company by merger, consolidation or otherwise, shall acquire the property or substantially all of the property of the Chicago, Saint Paul, Minneapolis and Omaha Railway Company, no debt or obligation of said railway company existing on January 1, 1939 (or any extension or renewal thereof

ARTICLE II

Description, Execution, Registration and Exchange of Bonds

Section 1. The Bonds shall be designated generally as the Railway Company's "Second Mortgage Bonds" and may be issued in one or more series as from time to time shall be authorized by the Board of Directors.

The authorized aggregate principal amount of Bonds shall be unlimited, except as may hereinafter be provided.

The Bonds shall be substantially in the form hereinbefore recited for the Bonds of Series A, but in the case of Bonds other than Bonds of Series A, with such provision and form for coupons, if any, to be attached to such thereof as may be coupon Bonds, and with such omissions, variations and insertions, as may be authorized, permitted or required by the Mortgage, all as may be determined by the Board of Directors.

The Bonds and the coupons may contain such specifications, descriptive words and recitals and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon, as the Railway Company may deem appropriate and as are not inconsistent with the provisions of the Mortgage or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Bonds may be listed or to conform to usage.

The several series of Bonds may differ from the Bonds of Series A, and as between series, in respect of any or all of the following matters:

(a) title;

(b) date;

(c) date of maturity;

(d) interest rate;

(h) provisions, if any, for exchanges of coupon Bonds of all or specified denominations for registered Bonds without coupons, of registered Bonds without coupons of all or specified denominations for coupon Bonds, of coupon Bonds for coupon Bonds of other denominations, and of registered Bonds without coupons for registered Bonds without coupons of other denominations, and the place or places for such exchanges;

(i) limitations, if any, upon the aggregate principal amount of Bonds of any series;

(j) provisions, if any, for the payment of principal or interest, or both, without deduction for taxes, or for reimbursement of taxes in case of payment thereof by the holders;

(k) provisions, if any, for exchangeability of Bonds of one series for Bonds of another series;

(l) provisions, if any, with regard to any obligation of the Railway Company to permit the conversion of Bonds of any series into stock or other securities of the Railway Company;

(m) provisions, if any, reserving to the Railway Company the right to redeem all or any part of the Bonds of any series before maturity;

(n) provisions, if any, for any sinking fund with respect to the Bonds of any series; and

(o) any other provisions not in conflict with the provisions of the Mortgage.

In authorizing the issue of any series of Bonds (other than Bonds of Series A), the Board of Directors shall by resolution determine, and specify in a supplemental indenture, all matters in respect of the Bonds of such series set forth in clauses (a) to (g), inclusive, of this Section 1, and may determine and similarly specify any and all matters permitted by clauses (h) to (o), inclusive, of this Section 1, and shall also determine and similarly specify the form of Bonds and coupons, if any, of such series.

Bonds of any particular series shall be identical except that they may be of different numbers, of different denominations, in

Available Net Income, and that in case any other series of Bonds bearing fixed interest shall be authenticated and issued the interest on Bonds of Series A shall in such event become fixed and unconditionally payable at the rate aforesaid for the full calendar year then current and succeeding calendar years until payment of the principal thereof, in each case on January 1 following the close of the calendar year, any unpaid interest on Bonds of Series A accrued for the year prior to the calendar year then current to remain payable on the April 1 following the close of such prior year, and any accumulated and unpaid interest in addition thereto to be and become due and payable on the next date for the payment of any interest thereon following such event; (f) shall be payable, both as to principal and interest, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; (g) shall be convertible at the option of the respective holders thereof at any time prior to maturity (or, if at any time called for prior redemption, then on or before the 30th day preceding the date fixed for redemption or, in case said 30th day shall be a holiday, on or before the first business day thereafter), upon presentation and surrender thereof, in accordance with Article X, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, into Common Stock of the Railway Company upon the basis of 1½ fully paid and nonassessable shares of such Common Stock for each $100 of principal thereof (subject to the provisions of Article X as to interest on Bonds converted and dividends on stock received therefor, as to issue of voting-trust certificates in lieu of stock certificates and scrip in lieu of fractional shares, and as to change in the conversion basis and/or substitution of other stock, securities or property in the event of consolidation, merger, conveyance of assets, recapitalization or the issuance of additional shares); (h) shall be entitled to the benefits of the sinking fund payments provided for in Section 4 of Article V; (i) shall be redeemable before maturity at the option of the Railway Company

certificate shall have been duly executed on such Bond. Such certificate by the Trustee shall be conclusive evidence that the Bond so authenticated has been duly executed and delivered hereunder and is one of the Bonds described in the Mortgage. The Trustee shall not authenticate or deliver any coupon Bond until all matured coupons thereunto appertaining shall have been detached and cancelled, except as otherwise provided in Section 4 or permitted in Section 6 or Section 8 of this Article II.

In case any person who shall, as an officer of the Railway Company, have signed any of the Bonds or attested the seal thereon shall cease to be such officer before the Bonds so signed or sealed shall have been authenticated and delivered by the Trustee or disposed of by the Railway Company, such Bonds, nevertheless, may be authenticated and delivered and disposed of as though such person had not ceased to be such officer; and any Bond may be signed on behalf of the Railway Company and the seal of the Railway Company may be attested by such persons as, at the actual date of the execution of the Bond, shall be the proper officers of the Railway Company, although at the nominal date of such Bond any such person was not such officer. The coupons attached to coupon Bonds shall bear the facsimile signature of the present Treasurer or of any future Treasurer of the Railway Company, and for that purpose the Railway Company may use the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that at the time when such coupon Bonds shall be authenticated and delivered or disposed of he shall have ceased to be the Treasurer of the Railway Company.

Section 4. In all cases in which the privilege of exchanging Bonds of any series exists and is exercised, the Bonds to be exchanged shall be surrendered at any of the offices or agencies to be maintained by the Railway Company in accordance with the provisions of Section 2 of Article VI with respect to the Bonds of such series, and the Railway Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the

principal amount of such First Mortgage Bonds or Bonds, as the case may be, at the time so pledged which shall be released and shall be cancelled or surrendered for cancellation. First Mortgage Bonds and Bonds so cancelled or surrendered shall not be deemed Refundable Obligations under clause (a) above.

(c) One Million Twenty Thousand Dollars ($1,020,000) principal amount of Serial Collateral Notes (secured by pledge of all of the issued and outstanding capital stock and funded debt of Escanaba, Iron Mountain & Western Railway Company) held prior to January 1, 1939, by Public Works Administration and since that date paid pursuant to orders of the Court in the reorganization proceedings hereinbefore referred to, which Serial Collateral Notes shall be deemed to be Refundable Obligations in order to reimburse the Railway Company to the extent of principal so paid; provided that at the time Bonds shall be authenticated and delivered or cash withdrawn under the provisions of the Mortgage on the basis of such Serial Collateral Notes (i) Escanaba, Iron Mountain & Western Railway Company shall remain a corporation as organized and existing on January 1, 1939, (ii) no substantial part of the properties owned by it on January 1, 1939, shall have been sold or otherwise disposed of by it outside the usual and ordinary course of its business, (iii) it shall not be indebted to anyone other than the Railway Company, except for taxes, assessments and other governmental charges and on account of items incurred in the usual and ordinary course of its business payable within thirty (30) days from the time incurred, (iv) all of its outstanding capital stock, bonds and other securities, if any, shall be owned by the Railway Company, and (v) all of such stock, bonds and other securities shall be pledged with the Trustee.

(d) All, but not part, of the 15-Year Collateral 4% Notes of the Railway Company (originally issued under the Plan in the principal amount of $24,855,000) which shall be outstanding at any time; provided that (i) concurrently with the authentication and delivery of Bonds or the withdrawal of cash under the terms of the Mortgage on the basis of such Notes, all of the collateral at

or obligation in substitution therefor), shall be deemed a Refundable Obligation for any purpose of the Mortgage.

So long as the First Mortgage shall remain a lien on the mortgaged property the term "pledged with the Trustee" when used with respect to collateral in clauses (c) and (d) above shall contemplate a pledge with the trustee under the First Mortgage, subject to the terms thereof, instead of a pledge with the Trustee.

Retirable Obligations:

"Retirable Obligations" shall include (a) any evidences of debt of the Railway Company permitted or required to be retired through the Debt Retirement Sinking Fund under the provisions of clause (f) of Part B of Section 1 of Article V; (b) any Bonds permitted or required to be retired through the Debt Retirement Sinking Fund under Section 3 of Article V; and (c) any Bonds permitted or required to be retired pursuant to clause (d) of Section 7 of Article VIII.

(e) interest payment dates and whether interest shall be fixed (that is, unconditionally payable irrespective of whether there is Available Net Income or other funds applicable for the purpose) or contingent (that is, payable only on condition that there is Available Net Income or other funds applicable to such payment); provided, however, that no interest on any of the Bonds, other than Bonds of Series A, may be made payable or provision made for setting the same apart out of Available Net Income while there shall remain unpaid any accrued interest on Bonds of Series A not held in the sinking fund provided for in Section 4 of Article V (including any accumulations of such interest) payable out of Available Net Income; and provided further, that in case there shall be authenticated and issued any Bonds other than Bonds of Series A, with respect to which interest shall be fixed, as aforesaid, the interest with respect to each of the Bonds of Series A shall *ipso facto* become fixed at the rate of four and one-half per cent (4½%) per annum for the full calendar year then current and succeeding calendar years until payment of the principal thereof, payable in each case on January 1 following the close of the calendar year, any unpaid interest on Bonds of Series A accrued for the year prior to the calendar year then current to remain payable on April 1 following the close of such prior year, and any accumulated and unpaid interest in addition thereto to be and become due and payable on the next date for the payment of any interest thereon following such event;

(f) place or places for the payment of principal and for the payment of interest;

(g) whether issuable solely as registered Bonds without coupons, or as coupon Bonds with or without the privilege of registration as to principal, or in both forms, and the denominations, and the place or places and procedure, if any, for registration as to principal of coupon Bonds and for registration and transfer of registered Bonds without coupons;

the form of coupon Bonds or registered Bonds without coupons, and may have serial maturities, in which case the several maturities may differ with respect to redemption price and interest rate.

SECTION 2. The Bonds of Series A to be issued pursuant to Section 1 of Article III (a) shall be a closed series limited to the maximum aggregate principal amount authorized to be issued by said Section 1 of Article III and shall be designated "Second Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 1999"; (b) shall be dated as of January 1, 1939; (c) shall mature January 1, 1999; (d) shall bear interest from and including January 1, 1943, at the rate of 4½% per annum until payment of the principal thereof or conversion thereof, but, for each calendar year prior to the year 1998 (except those for which interest thereon becomes fixed as in the Mortgage provided) only to the extent of Available Net Income as the same is defined and applicable to the payment of such interest under the terms hereof, which interest shall except as hereinafter provided be payable on April 1 following the close of the calendar year for which such applicable Available Net Income is determined (except that any such interest for the calendar year 1943 shall be payable August 1, 1944) and to the extent that the amount so payable for any calendar year shall be less than four and one-half per cent (4½%) of such principal sum, shall accrue and accumulate up to but not exceeding a maximum at any one time accumulated and unpaid of 13½% of such principal sum, but beyond such maximum accumulation shall not accrue for any calendar year except to the extent of Available Net Income for such calendar year applicable to the payment thereof under the terms hereof, any such accumulated interest not to bear interest prior to the time the principal on which it accrued becomes due and payable and then to be due and payable, in any event; (e) shall provide that all accrued interest thereon (including any accumulations thereof) payable out of Available Net Income shall be paid, subject to the provisions of Section 2 of Article V as to interest on any thereof held in the sinking fund hereinafter mentioned, before any interest on any other series of Bonds may be paid or set apart for payment out of

upon the terms stated in Article IV, and shall be redeemable upon such terms before maturity for any purpose of the Debt Retirement Sinking Fund provided for in Section 6 of Article IV and for any purpose of the sinking fund provided for in Section 4 of Article V; (j) shall be issuable only in the form of registered Bonds without coupons, in the denominations of $100, $500, $1,000, $5,000 and $10,000, and in multiples of $10,000 authorized by the Board of Directors; and (k) shall be registered at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, and shall be transferable upon surrender for the purpose at said office or agency by the registered holder (or his attorney duly authorized in writing) together with a proper instrument or instruments of assignment duly executed, as provided in Section 4 of this Article II. The Bonds of Series A of the several denominations shall be interchangeable in authorized denominations, except that (unless otherwise ordered by the Railway Company for the purposes of convenience in effecting distribution of Bonds of Series A pursuant to the Plan) Bonds of Series A of the denominations of $100 and $500 may be exchanged only when surrendered in principal amounts aggregating $1,000 or multiples thereof in exchange for Bonds of Series A of authorized denominations of $1,000 or larger, and that Bonds of Series A of denominations of $1,000 and larger shall not be exchangeable for Bonds of Series A of the denominations of $500 and $100. Interest on the Bonds of Series A for the year 1998 and for each other year for which fixed interest shall be payable thereon shall be payable on January 1 of the next succeeding calendar year.

SECTION 3. The Bonds shall be signed on behalf of the Railway Company by its President or one of its Vice Presidents and shall have affixed thereto its corporate seal, duly attested by its Secretary or one of its Assistant Secretaries. Only such Bonds as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by the Mortgage or be entitled to any right or benefit hereunder. No Bond and no coupon thereunto appertaining shall be or become valid or obligatory for any purpose until such

Bond or Bonds which the holder making the exchange shall be entitled to receive. All coupon Bonds surrendered for exchange and delivered in exchange shall have attached thereto all unmatured coupons appertaining thereto and, in case at the time of any such exchange interest on the Bonds of the particular series is in default, shall in addition have attached thereto all matured coupons in default. Every registered Bond shall be so dated or bear such notation as to indicate that interest will be payable thereon in like manner and in the same amount as on the Bond or Bonds surrendered.

The Railway Company shall keep, at each office or agency to be maintained by it in accordance with the provisions of Section 2 of Article VI, a register or registers in which, subject to such reasonable regulations as it may prescribe, the Railway Company shall register Bonds entitled to registration and shall transfer registered Bonds. At all reasonable times such register or registers shall be open for inspection by the Trustee. Upon surrender for transfer of any such registered Bond without coupons at any office or agency to be so maintained with respect to the Bonds of such series, the Railway Company shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new registered Bond or Bonds without coupons of the same series and maturity for a like aggregate principal amount. Upon presentation for registration of any coupon Bond registerable as to principal at any such office or agency, such Bond shall be registered as to principal in the name of the holder and the fact of such registration shall be noted on the Bond. No transfer of any Bond so registered shall be valid unless made at any such office or agency, and similarly noted on the Bond, but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. Coupon Bonds entitled to registration shall continue to be subject to successive registrations and transfers to bearer, at the option of the holders. Such registration of any coupon Bond shall not affect the negotiability of the coupons appertaining

thereto, which shall continue to be payable to bearer and transferable by delivery.

All Bonds presented or surrendered for exchange, transfer, registration or discharge from registration as provided in this Section 4 shall be in bearer form or, if registered, shall be accompanied by a written instrument or instruments of transfer in form satisfactory to the Railway Company duly executed by the registered holder or by his duly authorized attorney.

Upon every exchange, transfer, registration or discharge from registration of Bonds the Railway Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge; and in addition may require the payment of a further sum not exceeding two dollars for each new Bond then issued, except as otherwise provided in Section 5 of this Article II, Section 3 of Article IV, Section 4 of Article XVII and in the case of transfers of Bonds of Series A.

The Railway Company shall not be required to make transfers or exchanges of registered Bonds without coupons of any series for a period of twenty days next preceding any interest payment date of the Bonds of such series or next preceding any selection by lot of Bonds to be redeemed. The Railway Company shall not be required to make transfers or exchanges of any Bonds selected for redemption.

If one or more of the Events of Default shall have occurred and be continuing, nevertheless, the Trustee, in its discretion, may authenticate and deliver Bonds for the purposes of making the exchanges and transfers provided for in this Section 4.

SECTION 5. Pending the preparation of definitive Bonds of any denomination of any series, the Railway Company may execute, and the Trustee shall authenticate and deliver, one or more temporary Bonds (printed or lithographed) of such series with or without one or more coupons and of any denomination or denominations, in bearer form, registerable or not registerable as to principal, or in registered form, which shall be substantially in the form of the definitive Bonds of such series, but with any

theft of such Bond and its coupons (if any) and of the ownership thereof, and also such security or indemnity as may be required by the Railway Company and the Trustee to save each of them harmless. The Trustee may authenticate any such substituted Bond and deliver the same with appurtenant coupons (if any), or the Trustee or any paying agent of the Railway Company may make any such payment, upon the written request or authorization of the Treasurer or an Assistant Treasurer of the Railway Company, and shall incur no liability to anyone by reason of anything done or omitted to be done by it in good faith under the provisions of this Section 6. Upon the issue of any substituted Bond, the Railway Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge and any other expense connected therewith, and also of a further sum not exceeding two dollars.

Any Bonds and coupons issued under the provisions of this Section 6 shall constitute additional original contractual obligations, in accordance with their terms, on the part of the Railway Company, and shall be entitled to the benefit and security of the Mortgage along with all other Bonds and coupons issued under the Mortgage, in accordance with the terms thereof.

SECTION 7. Except as may otherwise be provided by the Mortgage, all Bonds (and appurtenant coupons, if any) surrendered for the purpose of payment, retirement, redemption, conversion, exchange or transfer shall either be surrendered to the Railway Company or its paying agent, cancelled upon surrender thereof and delivered to the Trustee, or be surrendered to the Trustee and cancelled by it as and when so surrendered; and no Bonds or appurtenant coupons shall be issued under the Mortgage in lieu of Bonds or appurtenant coupons so surrendered except as expressly permitted by any of the provisions hereof. The Trustee shall make appropriate notations in its records in respect of all Bonds and appurtenant coupons cancelled as aforesaid, shall cremate the same in the presence of a representative of the Railway Company, and shall deliver a certificate

ARTICLE III

ISSUE OF BONDS

SECTION 1. Upon the execution and delivery of the Mortgage or from time to time thereafter, whether before or after the recording of the Mortgage, Bonds of Series A in an aggregate principal amount not exceeding One Hundred Nine Million Eight Hundred Seven Thousand Nine Hundred Dollars ($109,807,900) may be executed by the Railway Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railway Company, signed by its President or a Vice President, without any further action on the part of the Railway Company.

No Bonds other than those authenticated and delivered pursuant to this Section 1 shall be authenticated or delivered by the Trustee at any time when an Event of Default shall have occurred and be continuing.

SECTION 2. PART A. Subject to the provisions of Part B of this Section 2, Bonds of one or more series other than Series A may from time to time be executed by the Railway Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railway Company, signed by its President or a Vice President, in an aggregate principal amount not exceeding the principal amount of any Refundable Obligations, which shall have been cancelled or surrendered to the Trustee for cancellation, or for the payment or redemption of which moneys in the necessary amount shall have been irrevocably deposited in trust with the Trustee or in trust with any agency satisfactory to the Trustee; provided that no Bonds shall be authenticated and delivered under this Section 2 on the basis of Refundable Obligations theretofore Bonded, or theretofore acquired, retired, cancelled or paid by means of expenditures from the Capital Fund, or through the application of Available Net Income under clauses (a) to (g) of Section 2 of Article V, or through operation of the sinking fund requirements with respect to the Sioux City Divisional Bonds and the Des Plaines Valley Divisional Bonds, or through the operation of the Debt Retirement Sinking Fund or

the necessary amount for the payment or redemption thereof, or (iii) an Officers' Certificate or other showings satisfactory to the Trustee either that said Refundable Obligations have been duly paid and cancelled or that moneys in the necessary amount for payment or redemption thereof have been deposited in trust with an agency satisfactory to the Trustee and, in case said Refundable Obligations are to be redeemed, that due notice of redemption has been given or has been provided for to the satisfaction of the Trustee.

If with respect to any Refundable Obligation any collateral is required to be pledged with the Trustee, such collateral shall be deposited with the Trustee for pledge under the Mortgage, together with an Opinion of Counsel that the lien provided for in the Mortgage is valid with respect to such collateral.

PART C. So long as the First Mortgage shall remain a lien on the mortgaged property, the requirements of this Section 2 with respect to the deposit of Refundable Obligations, cancelled or for cancellation, the deposit of moneys in trust for the payment or redemption thereof, the approval of any agency with which such funds shall be deposited, the filing of any Officers' Certificate or other showings relating to the payment or redemption thereof, or the deposit of collateral in connection with the refunding of Refundable Obligations shall be deemed to require and contemplate a deposit of Refundable Obligations, a deposit of moneys in trust, an approval of any agency as a depositary for such moneys in trust, a filing of an Officers' Certificate or other showings, or a deposit of collateral with, by or to, as the case may be, the trustee under the First Mortgage subject to the terms thereof (instead of with, by or to the Trustee, as the case may be) and the filing with the Trustee of a certificate of the trustee under the First Mortgage with respect thereto; and the Opinion of Counsel required in Part B of this Section 2, shall state in such case that the lien of the First Mortgage and the lien provided for in the Mortgage are valid with respect to such collateral.

SECTION 3. Bonds of one or more series other than Series A

at any time when the amount of escrowed cash shall exceed $10,000,000.

SECTION 4. Bonds of one or more series other than Series A may from time to time be executed by the Railway Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railway Company, signed by its President or a Vice President, in an aggregate principal amount not exceeding 75% of the Bondable Net Additions as of the close of the period covered by the certificate provided for in subsection (b) I of this Section 4.

No Bonds shall be authenticated under this Section 4 until after there shall in each case have been delivered to the Trustee:

(a) The documents specified in Section 6 of this Article III.

(b) An application consisting of an Officers' Certificate which shall:

I. Include a statement showing the Bondable Net Additions as of the close of the period covered by such certificate (which period shall begin at the close of the period covered by the last previous certificate filed pursuant to this subsection, or with January 1, 1939, in case of the first such certificate, and shall end on a date specified therein not more than 90 days prior to the delivery of such certificate to the Trustee) and showing:

A. (i) The Net Capital Fund Expenditures balance as of the beginning of the period.
(ii) A computation of the Net Capital Fund Expenditures for the period.
(iii) The total Net Capital Fund Expenditures balance as of the end of the period.

B. (i) The Bondable Additions balance as of the beginning of the period.
(ii) A computation of Bondable Additions for the period.
(iii) The total Bondable Additions balance as of the end of the period.

C. (i) The Bondable Net Additions balance as of the beginning of the period.

furnished pursuant to clause (d) below may be stated to be necessary or advisable to subject to the lien of the First Mortgage (so long as it still remains a lien on the mortgaged property) and the lien of the Mortgage the property included in the Additions shown in the certificate required by clause (b) above, or in the case or Additions located on leaseholds, to subject the leaseholds to such liens.

(d) An Opinion of Counsel stating that all property included in the Additions shown in the certificate required by clause (b) above, except such as are located on leaseholds, is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and of the Mortgage or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, subject to no defect in title and subject to no lien thereon prior or equal to the lien of the Mortgage except liens securing Prior Lien Bonds which are Refundable Obligations, if any, and Permitted Encumbrances, if any, and if any such property is located on any leasehold, as shown by such certificate, stating that such leasehold is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and of the Mortgage or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, and extends for a period of time beyond the latest maturity date of any Bonds or First Mortgage Bonds outstanding or for the authentication and delivery of which application is concurrently being made, or that, under the terms of such leasehold, the Railway Company has the right to be reimbursed in respect of any expenditures for such Additions or, if such property be removable property, the right to remove the same, upon the termination thereof; provided that such Opinion of Counsel may be based upon certificates or opinions of officers or engineers of the Railway Company as to any matters of fact not of public record.

omissions, insertions and variations appropriate for temporary Bonds, all as authorized by the Board of Directors and as provided in the written order of the Railway Company for the authentication and delivery thereof. Each such temporary Bond shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. When definitive Bonds of any series are prepared and ready for delivery, the temporary Bonds of such series may be surrendered in exchange therefor, and the Trustee shall authenticate and deliver in exchange therefor, without expense to the holder, an equal aggregate principal amount of definitive Bonds of the same series and maturity. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of the Mortgage as definitive Bonds authenticated and delivered hereunder. Interest when and as payable upon temporary Bonds without coupons shall be paid only upon presentation thereof for notation thereon of such payment.

The Railway Company will cause definitive Bonds of each series to be prepared without undue delay.

SECTION 6. In case any temporary or definitive Bond and any coupons appertaining thereto shall become mutilated or be destroyed, lost or stolen, the Railway Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond (with coupons corresponding to the coupons, if any, appertaining to the mutilated, destroyed, lost or stolen Bond) of the same series and maturity and of like tenor, in exchange and substitution for the mutilated Bond and its coupons, if any, or in lieu of and substitution for the Bond and its coupons, if any, so destroyed, lost or stolen, or, if any such Bond or any coupon shall have matured or shall be about to mature, instead of issuing a substituted Bond or coupon the Railway Company may pay the same without surrender thereof. In case of destruction, loss or theft of any Bond or coupon, the applicant for a substituted Bond or for such payment shall furnish to the Railway Company and to the Trustee, in their discretion, evidence to their satisfaction of the destruction, loss or

of such cremation to the Railway Company. Upon payment of any coupon, on presentation thereof detached from the Bond to which it is appurtenant, the same shall be cancelled and thereafter preserved by the Railway Company until cremation thereof in the presence of and after audit by a representative of the Trustee.

If the Railway Company shall acquire any of the Bonds otherwise than as aforesaid, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Bonds unless and until the same are surrendered to the Trustee for cancellation.

SECTION 8. Each Bond delivered pursuant to the exercise of any privilege of transfer or exchange, or in substitution, for the whole or any part of one or more other Bonds of the same series shall carry all of the rights to interest which were carried by the whole or such part of such one or more other Bonds at the time of transfer, exchange or substitution. In case any Bond shall have been delivered upon exercise of the privilege of transfer or exchange or in substitution, as aforesaid, interest shall be deemed to have been paid on such Bond to the extent paid, made available for payment, or under a provision similar to this deemed to have been paid, on an equal principal amount of the Bond or Bonds for which such Bond was transferred, exchanged or substituted.

any other sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage; provided further that in case of the redemption of any Refundable Obligations all action and notice required for such redemption shall have been taken and given, or provision made therefor satisfactory to the Trustee.

PART B. No Bonds shall be authenticated and delivered under this Section 2 until after there shall in each case have been delivered to the Trustee:

(a) The documents specified in Section 6 of this Article III.

(b) An Officers' Certificate dated not more than 30 days prior to the delivery thereof which shall (i) describe and state the amount of the Refundable Obligations the cancellation or surrender for cancellation or the payment or redemption of which forms the basis of the proposed authentication of Bonds, (ii) show that the obligations (and any collateral required to be deposited with the Trustee on the refunding thereof) come within all requirements of the definition of Refundable Obligations, (iii) state that said Refundable Obligations have not theretofore been Bonded, or acquired, retired, cancelled or paid by means of expenditures from the Capital Fund, or through the application of Available Net Income under clauses (a) to (g) of Section 2 of Article V, or through operation of the sinking fund requirements with respect to the Sioux City Divisional Bonds and the Des Plaines Valley Divisional Bonds, or through the operation of the Debt Retirement Sinking Fund or any sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage; and (iv) certify that any moneys deposited in trust as required by paragraph (c) of this Part B are not otherwise required to be deposited with the Trustee and are not required to be used otherwise under any provision of the Mortgage or of the First Mortgage.

(c) Either (i) said Refundable Obligations, cancelled or for cancellation, together with all unmatured coupons and unpaid matured coupons, if any, funds for the payment of which have not been provided, appertaining thereto, or (ii) moneys in trust in

may from time to time be executed by the Railway Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railway Company, signed by its President or a Vice President, upon the deposit by the Railway Company with the Trustee of a sum in cash equal to the principal amount of the Bonds so to be authenticated and delivered and upon delivery by the Railway Company to the Trustee of (a) the documents specified in Section 6 of this Article III, and (b) an Officers' Certificate dated not more than 30 days prior to the delivery thereof which shall certify that any cash so deposited with the Trustee is not required to be deposited or otherwise used under any provision of the Mortgage or of the First Mortgage.

All cash so deposited (herein sometimes referred to as escrowed cash) shall be held by the Trustee as part of the mortgaged property and may be withdrawn by the Railway Company upon its written order, signed by its President or a Vice President, accompanied by a certified copy of a resolution of its Board of Directors authorizing the application for withdrawal, in an amount equal to the principal amount of each Bond or fraction of a Bond to the authentication and delivery of which the Railway Company would be entitled under the provisions of Sections 2, 4 or 5 of this Article III. On any such application the Railway Company shall comply with all applicable provisions of this Article III relating to the authentication and delivery of such Bonds except that the Railway Company shall not be required to comply with any of the provisions of Section 6 of this Article III other than clauses (d) (iv) and (e) thereof. Any withdrawal of escrowed cash under this Section 3 shall be in lieu of the right of the Railway Company to the authentication and delivery of Bonds on which the withdrawal of cash is based. The Railway Company shall not be entitled to withdraw any escrowed cash pursuant to the provisions of this Section 3 at any time when an Event of Default shall have occurred and be continuing.

No Bonds shall be issued by the Railway Company or authenticated by the Trustee under the provisions of this Section 3

(ii) A computation of the Bondable Net Additions for the period.

(iii) The Bondable Net Additions balance as of the end of the period.

II. State the principal amount of Bonds, the authentication and delivery of which is applied for.

III. Include a computation showing that the inclusion in Bondable Net Additions, as computed in such certificate, of any Additions subject to any Prior Lien will not result in exceeding the limitation of Additions subject to Prior Lien in violation of Section 13 of Article VI.

Such certificate shall also include a statement which shall show in reasonable detail all property constituting Additions acquired during the period covered by such certificate, by showing amounts thereof under appropriate classifications or sub-classifications, or by reference to, or by accompanying copies of, reports or documents filed with the Interstate Commerce Commission or other public body or authority having jurisdiction or supervisory authority over the accounts of the Railway Company; and shall show with respect to any equipment described therein and not new at the date thereof, the prior period of use of such equipment or any part thereof and a computation showing the reduction in Amount of Additions as required by Section 3 of Article V in respect of the authentication and delivery of Bonds or the withdrawal of cash on the basis of such equipment, and shall also show the amounts which will thereafter be required to be deposited annually with the Trustee by said Section 3. If any of such Additions constitute property covered by Account 702, known as "Improvements on Leased Property," there shall be set forth a list of the leaseholds on which such property is located, with their dates, expiration dates, the amount of such property which is removable and the amount thereof which is not removable.

(c) All such deeds, indentures supplemental hereto or instruments of further assurance, if any, as in the Opinion of Counsel

The Officers' Certificate required under this Section 4 shall include a report showing:

(1) All Equipment Trust Obligations shown in such certificate which have not been shown in any previous certificate, and the amount of Additions constituting equipment securing the same.

(2) Any Prior Lien to any extent reflected in deductions from Amount of Additions or Bondable Additions set forth in such certificate, which has not been so reflected in any previous certificate, and the nature and amount of debt secured thereby.

SECTION 5. PART A. Bonds of one or more series other than Series A may from time to time be executed by the Railway Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railway Company, signed by its President or a Vice President, but only as provided in Parts B and C of this Section 5, in respect of:

(a) The pledge with the Trustee of at least 90% of the total outstanding capital stock of each class of any corporation constituting a Qualified Subsidiary; or

(b) The pledge with the Trustee of any Fundable Subsidiary Bonds.

PART B. Bonds may be authenticated and delivered under this Section 5 with respect to

(1) The pledge of stock, not theretofore Bonded, of a corporation which then is, or upon such pledge will become, a Qualified Subsidiary, to such extent only that the principal amount of the Bonds theretofore and then being authenticated and delivered on the basis of stock of such Qualified Subsidiary, together with all existing debts, liens and charges against its property (other than Permitted Encumbrances) shall not exceed 75% of the aggregate of (a) the expenditures made by the Railway Company as shown by its accounts for the acquisition of stock of such Qualified Subsidiary theretofore and concurrently pledged with the Trustee, and (b) all existing debts, liens and charges against the property

of such Qualified Subsidiary (other than Permitted Encumbrances) as shown by its accounts; provided that

(i) if upon the qualification of any Qualified Subsidiary, less than all the outstanding shares of its stock shall be pledged with the Trustee, any expenditures of the Railway Company made for the acquisition of shares subsequently pledged shall be deemed to be equal to the average amount per share expended for the shares pledged at the time of qualification; and

(ii) no expenditures shall be deemed to have been made by the Railway Company for the stock of Chicago, Saint Paul, Minneapolis and Omaha Railway Company or any Qualified Subsidiary whose stock may have been pledged with the Trustee in connection with the authentication and delivery of Bonds or First Mortgage Bonds or the withdrawal of cash under any provision of the Mortgage or the First Mortgage, upon the basis of Refundable Obligations described in clauses (c) or (d) of the definition of Refundable Obligations in Article I.

(2) the pledge of Fundable Subsidiary Bonds not theretofore Bonded, to the extent only of the principal amount of such Fundable Subsidiary Bonds.

PART C. No Bonds shall be authenticated and delivered under this Section 5 unless and until there shall in each case have been delivered to the Trustee:

I. The documents specified in Section 6 of this Article III.

II. An application consisting of an Officers' Certificate dated not more than 30 days prior to the delivery thereof, which shall:

(a) State the name of each Qualified Subsidiary the stock or bonds of which are to be pledged with the Trustee, and furnish therewith a balance sheet of such subsidiary as of a date not more than 60 days prior to the date of such certificate and state any material changes in financial condition existing as of the date of such certificate and not reflected in such balance sheet.

(iii) Include a brief description of any Fundable Subsidiary Bonds referred to in the application and of all other secured indebtedness, other than Equipment Trust Obligations and indebtedness secured by Permitted Encumbrances, of such Qualified Subsidiary, including the date of the instrument creating any lien on the property of such Qualified Subsidiary as security therefor.

(d) State that no stock of any Qualified Subsidiary and no Fundable Subsidiary Bonds of any Qualified Subsidiary proposed to be made the basis for the issue of Bonds under the application have theretofore been Bonded.

(e) State that, as to each Qualified Subsidiary referred to in such certificate, the balance sheet and any changes in the existing financial condition, the existing debts and obligations, the expenditures for additions to physical property, the amount of retirements, and the investment in unretired physical property shown in said certificate, are in all cases as shown by the accounts of such Qualified Subsidiary kept in accordance with the Uniform System of Accounts.

III. All shares of stock of any Qualified Subsidiary and all Fundable Subsidiary Bonds of any Qualified Subsidiary proposed to be pledged with the Trustee; and all such instruments, if any, as in the Opinion of Counsel furnished pursuant to clause V below may be stated to be necessary or advisable to subject such securities to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and the lien provided for in the Mortgage.

IV. Unless previously filed by a Qualified Subsidiary in connection with the pledge of its Fundable Subsidiary Bonds under the Mortgage, an agreement between the Railway Company, the Trustee and such Qualified Subsidiary whereby the latter is obligated not to increase the amount of its indebtedness secured by lien equal in rank to the lien of its bonds at any time pledged under the Mortgage, or to incur or assume any indebtedness secured by lien (other than Permitted Encumbrances and the prior right, charge, lien or title of Equipment Trust Obligations)

PART D. So long as the First Mortgage shall remain a lien on the mortgaged property the requirements herein set forth with respect to the pledge or deposit with the Trustee of the stock of a Qualified Subsidiary, Fundable Subsidiary Bonds, Trusteed Subsidiary Bonds or indebtedness incurred or assumed by a Qualified Subsidiary shall be deemed to require and contemplate the pledge or deposit thereof with the trustee under the First Mortgage subject to the terms thereof, instead of with the Trustee, and the filing with the Trustee of a certificate of the trustee under the First Mortgage concerning such pledge or deposit.

SECTION 6. Whenever applying for the authentication of any Bonds under the provisions of this Article III, other than Bonds of Series A, the Railway Company, in addition to complying with the other requirements of this Article III, shall cause to be delivered to the Trustee:

(a) A certified copy of a resolution of the Board of Directors authorizing the proposed issue of Bonds in a specified principal amount pursuant to a specified section or sections of this Article III, requesting the authentication and delivery thereof and either (i) stating that such Bonds are to be of a designated series previously authorized or (ii) authorizing the execution and delivery of the supplemental indenture provided for in clause (b) of this Section 6.

(b) If such Bonds are to be of a series not previously authorized, a supplemental indenture duly creating the proposed series and specifying, as provided in Section 1 of Article II, the particular provisions relating to the Bonds of such series.

(c) A copy authenticated in a manner satisfactory to the Trustee of any orders or certificates of any commissions or other governmental authorities authorizing or approving the issue of such Bonds.

(d) An Opinion of Counsel stating that

(i) no authorization or approval by any commission or other governmental authority is required by law for the valid

ARTICLE IV

REDEMPTION AND DEBT RETIREMENT

SECTION 1. The Railway Company may, at its option, redeem on any interest payment date prior to maturity all or from time to time any part of the Bonds of Series A, at a redemption price for each Bond so redeemed equal to the principal amount thereof plus accrued interest thereon to the date of redemption, unpaid accumulated interest, if any, and a premium of one and one-eighth per cent (1⅛%) of such principal amount. While interest on Bonds of Series A remains payable only to the extent of applicable Available Net Income, such interest shall be calculated and accrued, for purposes of determining the redemption price of Bonds of Series A, at the rate of 4½% per annum for any calendar year or portion thereof for which Available Net Income has not been determined on the redemption date.

Upon the creation of any other series of Bonds the Railway Company may reserve the right to redeem on any date prior to maturity all or from time to time any part of the Bonds of such series at such time or times and on such terms as the Board of Directors may determine and as shall be appropriately expressed in the Bonds of such series.

Except as otherwise provided in respect of Bonds of any particular series, the procedure for redemption of Bonds of all series which are by their terms redeemable shall be as hereinafter in this Article IV provided.

SECTION 2. In case the Railway Company shall desire to exercise such right to redeem all or any part of the Bonds of a particular series in accordance with the right reserved so to do, it shall publish a notice of such redemption, once each week for four successive weeks, in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, Illinois, the first publication in

drawn. The notice of redemption shall specify the numbers of coupon Bonds so drawn and registered Bonds without coupons so drawn, and in case of any registered Bond without coupons which is to be redeemed in part only (by reason of the fact that distinguishing numbers representing only part of the principal amount thereof shall have been so drawn), the notice shall specify the serial number of such Bond and the portion of the principal amount thereof to be redeemed and shall state that on and after the redemption date, upon surrender of such registered Bond, a new Bond or Bonds of the same series and maturity in principal amount equal to the unredeemed portion of such registered Bond will be issued without expense to the holder of such registered Bond.

SECTION 3. If publication of notice of redemption shall have been completed as above provided, the Bonds or portions of Bonds specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, and on and after such date of redemption (unless the Railway Company shall fail to deposit with the Trustee, as hereinafter provided, funds sufficient for the payment of such Bonds at the redemption price) interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, and the coupons for such interest shall be void. On presentation and surrender of such Bonds on or after the redemption date, at any place or places of payment in said notice specified, with all coupons, if any, thereto appertaining and maturing on or after said redemption date, they shall be paid and redeemed by the Railway Company at the applicable redemption price. If the Railway Company, having published notice of redemption as required, fails so to deposit, or to direct the application from cash so available and held by the Trustee, of a sum of money equal to such redemption price, the Bonds so called for redemption shall, nevertheless, upon the redemption date become due and payable.

Upon presentation of any registered Bond without coupons which is redeemed in part only, the Railway Company shall execute and the Trustee shall authenticate and deliver to the

shall be specified by a resolution of the Board of Directors evidenced by certified copy filed with the Trustee) or, at the election of the Railway Company, to the redemption of such Retirable Obligations in accordance with the provisions upon which such obligations are subject to redemption. Unless and until a certified copy of a resolution of the Board of Directors specifying the issue, series or maturity of Retirable Obligations to be purchased or redeemed by application of said moneys shall have been filed with the Trustee, such moneys shall be applied by the Trustee to the purchase or redemption of Retirable Obligations of the character specified in the provision pursuant to which such moneys shall have been deposited in the Debt Retirement Sinking Fund and of the issue or series having the earliest maturity.

Subject to the right of the Railway Company generally to direct the Trustee as to time, procedure and method, the Trustee shall purchase Retirable Obligations either at public or private sale at the lowest price or prices at which, in its sole discretion, it shall deem such Retirable Obligations reasonably obtainable, or, if the Trustee shall deem it advisable, by advertising for proposals to sell such Retirable Obligations to it, reserving the right to reject any or all such proposals in whole or in part, and the Trustee may purchase such Retirable Obligations at the lowest price or prices asked in such proposals if it deems such purchases advisable; but no such Retirable Obligations shall be purchased at public or private sale or in response to proposals, as aforesaid, at a price, including accrued interest, in excess of the maximum amount (inclusive of accrued interest and premium) which would be payable in case of redemption thereof as in Part B of this Section 6 provided at the earliest applicable redemption date, or in excess of the principal amount thereof plus accrued interest if not subject to such redemption.

All advertising and publishing costs and other expenses, and all amounts paid as accrued interest on purchases made by the Trustee, shall be paid by the Railway Company or, if paid by the Trustee, shall be repaid by the Railway Company upon demand.

(b) If the application is with respect to the pledge of stock of a Qualified Subsidiary, such certificate shall state the amount of the expenditures made by the Railway Company as shown by its accounts for the acquisition of such stock; the number of shares and the classes of all outstanding stock of such subsidiary and the number of shares of stock of each class pledged or to be pledged concurrently with the Trustee; and include a computation based upon the information furnished under clause (a) above of the amount of Bonds to the authentication of which the Railway Company shall be entitled under the provisions of Part B of this Section 5, showing separately as to any class of obligations of such subsidiary, the amount thereof which has been or is proposed to be pledged concurrently with the Trustee.

(c) If the application is with respect to the pledge of Fundable Subsidiary Bonds the certificate shall:

(i) State the amount of all Fundable Subsidiary Bonds of such Qualified Subsidiary outstanding as of the date of qualification of such subsidiary, and state separately the amount thereof currently outstanding, the amount thereof theretofore pledged with the Trustee, the amount thereof proposed to be pledged concurrently with the Trustee, and the principal amount, if any, of such bonds which constitute Trusteed Subsidiary Bonds; and include a computation showing that the requirements of the definition of Fundable Subsidiary Bonds in Article I have been met.

(ii) State the amount of all Fundable Subsidiary Bonds issued by such Qualified Subsidiary after the date of its qualification and state separately the amount thereof currently outstanding, the amount thereof theretofore pledged with the Trustee, and the amount thereof proposed to be pledged concurrently with the Trustee; state also the amount of expenditures made by such Qualified Subsidiary as shown by its accounts for additions to physical property acquired, and the amount of physical property retired, by such subsidiary after the date of its qualification or after December 31, 1938, as the case may require.

ranking prior to the lien of its bonds at any time so pledged, unless in either case the additional indebtedness shall be pledged with the Trustee; but nothing in this clause IV shall be deemed to prevent the authentication and delivery of Bonds or the withdrawal of cash upon the basis of such indebtedness so pledged if otherwise permissible under the terms of the Mortgage.

V. An Opinion of Counsel stating that all shares of stock of each Qualified Subsidiary and the Fundable Subsidiary Bonds of each Qualified Subsidiary required to be pledged with the Trustee by clause III above are subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien provided for in the Mortgage or will become subject to such liens upon delivery thereof or the delivery of instruments, if any, specified in said Opinion of Counsel, and that the Railway Company has valid title to such securities and the right to own and pledge the same, free from any other lien; that all such shares of stock are validly issued and fully paid and non-assessable; that such Fundable Subsidiary Bonds and the agreements required under clause IV above have been duly authorized by all corporate authority required under the laws of the state of incorporation, the charter (or other document of organization) and the by-laws of the Qualified Subsidiary obligated thereby; that no authorization by any commission or other governmental authority is required by law for the valid issue of such securities or for the valid ownership thereof by the Railway Company or the pledge thereof as provided by this Section 5, or with respect to such agreements, except such authorizations as shall be specified in such opinion, and which shall be evidenced by copies of the orders or certificates so specified, appropriately certified; that the said Fundable Subsidiary Bonds of each such Qualified Subsidiary are valid obligations thereof and are secured by a valid general lien on all or substantially all of the physical property of such subsidiary subject to no lien prior thereto other than Permitted Encumbrances and the prior right, charge, lien or title of Equipment Trust Obligations; and that each such agreement is a valid and enforceable obligation of the Qualified Subsidiary making the same.

issue of such Bonds except such authorizations as shall be evidenced by the copies of the orders or certificates delivered to the Trustee pursuant to clause (c) of this Section 6;

(ii) in all other respects the Railway Company is entitled by law and by the terms of the Mortgage to the authentication and delivery of such Bonds;

(iii) the authentication and delivery of such Bonds has been duly authorized by all requisite corporate action on the part of the Railway Company;

(iv) the instructions, certificates and orders delivered to the Trustee conform to the requirements of the Mortgage and constitute sufficient authority hereunder for the Trustee to authenticate and deliver such Bonds; and

(v) such Bonds when duly executed, authenticated and delivered and issued for consideration will constitute valid and outstanding obligations of the Railway Company according to their terms and will be secured by the Mortgage in accordance with its terms.

(e) An Officers' Certificate stating that no Event of Default has occurred and is continuing.

(f) An Officers' Certificate stating that there are no unpaid accumulations of interest on Bonds outstanding and that interest has been paid, or payment thereof duly provided for, for each of the two preceding calendar years on all Bonds outstanding at any time during such period, at the maximum rates specified therein.

each such newspaper to be not less than sixty days and not more than ninety days before the date fixed for redemption. It shall not be necessary for all of such publications in either such city to be made in the same newspaper. Such notice shall specify the series of Bonds to be redeemed, the date fixed for redemption and the redemption price thereof, and shall state that payment of such redemption price will be made at the office or agency or at the offices or agencies of the Railway Company at which the principal of such Bonds is payable and that on and after said date interest thereon will cease to accrue. A copy of such notice shall be mailed by the Railway Company at least sixty days prior to such redemption date to the Trustee and to the registered owners of registered Bonds without coupons and of coupon Bonds registered as to principal, so to be redeemed, at their last addresses as they shall appear upon the bond registry books, but neither failure to give such notice by mailing, nor any defect therein, shall affect the validity of the proceedings for the redemption of the Bonds.

If the Railway Company shall elect to redeem less than all of the Bonds of any series then outstanding, it shall give the Trustee adequate notice in advance of the aggregate principal amount of the Bonds of such series to be redeemed, and thereupon the Trustee shall draw by lot, in such manner as it shall deem equitable and appropriate (and for that purpose the Railway Company will, upon request of the Trustee, close for a period not exceeding twenty days the bond registry books), from the outstanding coupon Bonds and registered Bonds without coupons of said series (excluding, in the case of Bonds of Series A, for reasons of convenience only, Bonds of Series A which are held in custody for distribution under the Plan but which have not been distributed at the time notice shall have been given to the Trustee as aforesaid, or are then held in custody in connection with the Plan against outstanding scrip), the distinguishing numbers of a principal amount of Bonds equal to such aggregate principal amount of Bonds to be redeemed and shall thereafter promptly notify the Railway Company in writing of the numbers of the Bonds so

registered holder thereof, at the expense of the Railway Company, a new Bond or new Bonds of the same series and maturity in principal amount equal to the unredeemed portion of the Bond so presented.

SECTION 4. If the Railway Company shall deposit in trust with the Trustee on or prior to the redemption date an amount in cash sufficient to redeem all Bonds, or portions thereof, then outstanding, called or to be called for redemption, and shall furnish to the Trustee proof satisfactory to it that notice of redemption of such Bonds has been published as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice, then the Bonds or portions of Bonds to be redeemed shall no longer entitle the holders thereof to any lien or benefit under the Mortgage, save and except the right to receive the redemption price therefor.

All moneys deposited with the Trustee for the redemption of Bonds shall be held in trust for the benefit of the holders of such Bonds, but subject to the provisions of Section 4 of Article XVI.

SECTION 5. If the redemption date be a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the redemption price may be made on the next succeeding day, not a legal holiday or a day on which banking institutions are authorized by law to close, with the same force and effect as if made on the nominal redemption date, and no interest shall accrue for any period after the nominal redemption date.

SECTION 6. PART A. Any moneys which are deposited with the Trustee as a part of the Debt Retirement Sinking Fund, as required by any provision of the Mortgage, shall be applied by the Trustee, subject to, and in accordance with, any limitations of such provision, to the purchase of Retirable Obligations (of such character as may be specified by the provision of the Mortgage under which the moneys shall be deposited in the Debt Retirement Sinking Fund, and of such issue, series and maturity as

Upon receipt by the Trustee of Retirable Obligations either purchased by it pursuant to the provisions of this Section 6, or deposited with it and, under the terms of the Mortgage, deemed to have been retired through the Debt Retirement Sinking Fund, the Trustee shall forthwith cancel the same or cause the same to be cancelled.

PART B. Should a balance of $50,000 or more of funds required to be applied by the Trustee to the purchase of Retirable Obligations, or a specified issue or series thereof, under Part A of this Section 6, remain unapplied for a period of 90 days ending on any date which is 80 days prior to any time when such Retirable Obligations may be redeemed, then, notwithstanding any directions of the Railway Company under said Part A of this Section 6, such balance shall be applied by the Trustee to the redemption of such Retirable Obligations at the time aforesaid. The Trustee shall give notice of redemption in the name of the Railway Company in the manner and in accordance with the applicable provisions and conditions under which any of said Retirable Obligations shall be redeemable. The Trustee is hereby appointed the agent of the Railway Company for the purpose of giving such notice of redemption in the name of the Railway Company. The Railway Company covenants that whenever there shall be any Retirable Obligations required to be redeemed under the provisions of this Part B, it will at the request of the Trustee take all action necessary, and authorize the Trustee to take all action necessary, to redeem any such Retirable Obligations at an appropriate date specified by the Trustee.

The Railway Company covenants that in connection with any redemption of Retirable Obligations under this Part B it will deposit with the Trustee, in addition to funds theretofore deposited in the Debt Retirement Sinking Fund, moneys sufficient to pay on or before the date of redemption, accrued interest on the Retirable Obligations to be redeemed to the date of redemption, and in addition thereto all expenses for the giving of notice required for such redemption shall be paid by the Railway Company or,

if paid by the Trustee, shall be repaid by the Railway Company on demand.

The Railway Company covenants with the Trustee that, so long as the First Mortgage remains a lien on the mortgaged property, it will keep the Trustee currently advised concerning such deposits of moneys as part of the Debt Retirement Sinking Fund as are required to be made under any provision appearing in both the First Mortgage and the Mortgage, and concerning all applications of such moneys made pursuant to the provisions of Section 6 of Article IV of the First Mortgage.

SECTION 7. Any moneys deposited with the Trustee hereunder as and for a sinking fund (other than the Debt Retirement Sinking Fund) for the retirement of any Bonds issued hereunder shall be applied to the retirement of such Bonds in accordance with the provisions of this Section 7 except as otherwise specifically provided.

Subject to the right of the Railway Company generally to direct the Trustee as to time, procedure and method, the Trustee shall as promptly as possible after receipt of any such moneys apply the same to the purchase of Bonds to be retired therewith, either at public or private sale at the lowest price or prices at which, in its sole discretion, it shall deem such Bonds reasonably obtainable, or, if the Trustee shall deem it advisable, by advertising for proposals to sell such Bonds to it for the sinking fund, reserving the right to reject any or all such proposals in whole or in part, and the Trustee may purchase such Bonds at the lowest price or prices asked in such proposals if it deems such purchases advisable; but no such Bonds shall be purchased at public or private sale or in response to proposals, as aforesaid, at a price, including accrued interest, in excess of the maximum amount (inclusive of accrued interest and premium) which would be payable in case of redemption thereof for purposes of such sinking fund at the earliest applicable redemption date.

Should a balance of $50,000 or more of such moneys remain unapplied pursuant to the preceding paragraph for a period of 90

sition (including only such accrued fixed interest as may have been paid by the Railway Company upon its acquisition thereof on account of an interest period current at the time of deposit) or the maximum price which the Trustee would be authorized to pay for such Bonds on a purchase thereof pursuant to this Section 7 at the time such Bonds are so deposited. Any such Bonds so deposited with the Trustee shall be accompanied by a certificate signed by the Treasurer or an Assistant Treasurer of the Railway Company stating that such Bonds have theretofore been duly issued and outstanding and have been reacquired by the Railway Company and stating the prices at which the same were reacquired and that none of the same has theretofore been Bonded, and such Bonds shall be deemed for the purposes of the Mortgage to have been retired through operations of such sinking fund.

shall be held in reserve to be used in the discretion of the Board of Directors for any of the purposes specified in clauses (a) to (d) of this Part B.

(f) Any unappropriated balance in the Capital Fund in excess of $3,000,000 reserved under clause (e) remaining at the end of any calendar year shall be segregated and permanently reserved thereafter to be used solely (i) for the acquisition or construction of additions and betterments to the property of the Railway Company constituting Additions, or (ii) for the retirement of debt of the Railway Company bearing fixed interest or interest contingent in whole or in part, not in default (except evidences of debt bearing contingent interest at the time accumulated to the maximum amount permitted by the terms thereof), as shall from time to time be determined in the discretion of the Board of Directors. Any such balance which the Board of Directors shall appropriate for the retirement of such debt of the Railway Company shall within 6 months from the date of such appropriation be deposited with the Trustee to be held by the Trustee as part of the Debt Retirement Sinking Fund and shall be applied to the retirement of such debt of the Railway Company as is permitted to be retired by the provisions of this clause (f) and such fund shall be applied in accordance with the provisions of Section 6 of Article IV. In lieu of depositing cash with the Trustee as part of the Debt Retirement Sinking Fund, as in this clause (f) provided, the Railway Company may reacquire evidences of debt required or permitted to be retired therewith and deposit the same with the Trustee, at the lower of the cost of reacquisition thereof (less any accrued interest paid on such reacquisition) or the maximum price which the Trustee would be authorized under Part A of Section 6 of Article IV to pay therefor on a purchase thereof at the time the same are deposited. Any such evidences of debt so deposited with the Trustee shall be accompanied by an Officers' Certificate showing such facts as will establish the right of the Railway Company to deposit the same under the provisions of this clause (f) and the amount of credit to which the Railway Company is entitled in respect

the Trustee an Officers' Certificate stating the amount of such reimbursement and the source from which such reimbursement was made.

PART C. (a) The Railway Company covenants that within 30 days after the execution and delivery of the Mortgage it will pay into the Capital Fund the sum of $18,185,312, which amount is equal to the credit balance which would have remained in the Capital Fund on December 31, 1943, if the Mortgage and the provisions of Section 1 of this Article V had been operative from January 1, 1939, and is in accordance with the report, as of said date, of the trustee of the Debtor appointed in the reorganization proceedings hereinbefore referred to, filed with the Court, computing said credit balance and showing all items which would have been paid into the Capital Fund and all appropriations and expenditures which would have been made therefrom if the Mortgage and the provisions of this Section 1 had been in effect from and after January 1, 1939. The Railway Company covenants that from and after the time that operation of the properties of said Debtor by said trustee shall be terminated in connection with the consummation of said reorganization, it will make all payments into, and all expenditures from, the Capital Fund as by this Section 1 provided. As and when a final report of said trustee of said Debtor shall be filed with the Court carrying forward to the time of said termination of operation of properties said report as of December 31, 1943, the Railway Company covenants to make any payment into the Capital Fund, and reserves the right to make any withdrawal therefrom, but in either case only for the purpose of adjustments consistent with the provisions of this Section 1. Said final report of said trustee shall be conclusive for all purposes of this Section 1 and the Railway Company shall be fully protected in relying thereon.

(b) The Railway Company covenants that within 90 days after the close of the calendar year 1944, and of each calendar year thereafter, it will file with the Trustee a report signed as in the case of an Officers' Certificate, which report shall state separately

for the calendar year 1944 and for each year thereafter shall be determined not later than March 15 of the following year from the accounts of the Railway Company; and that Available Net Income for each such calendar year shall be applied to the extent that the same shall suffice therefor, during the succeeding calendar year, for the following purposes and in the following order:

(a) To the pro rata payment of (i) the Secured Serial Payment Notes, as they or installments of principal thereof mature, (ii) the April 1 sinking fund requirements of the Sioux City Divisional Bonds, and of the Des Plaines Valley Divisional Bonds, (iii) the December 15th payments to the extent not satisfied by dividends paid on the stocks of the Superior Coal Company and the Sioux City Bridge Company, due under the Collateral Trust Indenture securing the 15-Year Collateral 4% Notes, and (iv) the sinking fund requirements of any First Mortgage Bonds of any series issued under the First Mortgage which at the time shall have a call for sinking fund requirements of the priority of this clause (a).

(b) To the payment of the annual installment required to be paid to the Capital Fund by clause (d) of Part A of Section 1 of this Article V and of any unpaid accumulations of such installments; and thereafter to the reimbursement of the Capital Fund in respect of the existing deficit, if any, arising because of any expenditures made from the Capital Fund under clause (d), or under clause (e) for the purposes of clause (d), of Part B of Section 1 of this Article V.

(c) To the payment on April 1 of all contingent interest due on said date on the Bonds of Series A and any then unpaid contingent interest which shall have accumulated thereon as provided in the Mortgage, other than interest on such of said Bonds as are held in the sinking fund provided in the Mortgage for the Bonds of Series A.

(d) To the payment on April 1 of the contingent interest on such of said Bonds of Series A as are held in said sinking fund for Bonds of Series A, and any then unpaid contingent interest which shall have accumulated thereon as provided in the Mortgage.

mined and entered upon the books of the Railway Company.

(c) The net amounts realized from the sale of land owned by the Railway Company, to the extent not required to be deposited with the Trustee or the trustee or mortgagee of a lien prior to the lien of the Mortgage under Sections 2 or 3 of Article VIII. Payments into the Capital Fund of the amounts required to be paid under this clause (c) shall be made as and when such amounts are received by the Railway Company.

(d) Payments to the extent available in any calendar year, allocable from Available Net Income of the Railway Company in accordance with the provisions of clause (b) of Section 2 of this Article V, in the following amounts: for each of the calendar years 1939, 1940, and 1941, $3,000,000 per annum and thereafter an amount for each year equal to the smaller of the following: (i) $2,500,000 or (ii) 2½% of the railway operating revenues of the Railway Company for such year; provided that any amount by which depreciation charges on the roadways and structures of the Railway Company for any calendar year exceed the amount which would have been chargeable to income account for the retirement of any such property during such calendar year under the accounting rules in effect on January 1, 1939, shall be credited against the amount payable during such calendar year into the Capital Fund under this clause (d). Payments into the Capital Fund of the amounts required to be paid with respect to any calendar year under this clause (d) shall be made not later than April 1 of the following year.

PART B. All funds paid into the Capital Fund, as required or permitted hereby, shall be segregated from the general funds of the Railway Company, shall be held by it in a separate bank account or invested in obligations issued or guaranteed by the United States Government, and shall be expended only for the following purposes and in the order of priority named:

(a) Payment of the principal of Equipment Trust Obligations, deferred payments on equipment purchase contracts, and pay-

days ending on any date which is 80 days prior to any time when Bonds to be retired therewith may be redeemed, then, notwithstanding any directions of the Railway Company under the preceding paragraph, such balance shall be applied by the Trustee to the redemption of Bonds to be retired therewith at the time aforesaid and at the then applicable redemption price thereof for sinking fund purposes. The Trustee shall give notice of redemption of such Bonds and take any other necessary action in the name of the Railway Company in accordance with, in the manner and with the effect specified by, the provisions hereof governing the redemption of such Bonds, and is hereby irrevocably designated and appointed the agent of the Railway Company for such purpose.

The Railway Company covenants that it will pay all expenses and costs incident to the purchase or redemption of Bonds pursuant to this Section 7 and if such expenses and costs shall not be paid in the first instance by the Railway Company, that they will be reimbursed by the Railway Company upon demand. The Railway Company further covenants that on any such purchase or redemption it will pay (or reimburse to the Trustee upon demand if paid in the first instance by the Trustee) all amounts expended on account of accrued interest, except as otherwise provided in Section 4 of Article V in respect of Bonds of Series A or elsewhere in the Mortgage in respect of the Bonds of any other series.

No Bond purchased or redeemed pursuant to this Section 7 shall be reissuable nor may any Bonds or other obligations of the Railway Company be issued to refund Bonds so purchased or redeemed. Except as otherwise provided in the Mortgage, all Bonds purchased or redeemed pursuant to this Section 7 shall be cancelled upon delivery thereof to the Trustee.

In lieu of depositing moneys with the Trustee hereunder as and for any sinking fund as aforesaid, the Railway Company may deposit any such Bonds theretofore issued and outstanding and reacquired by it, but only at the lower of the cost of such reacqui-

thereof under this clause (f) and such evidences of debt shall for all purposes of the Mortgage be deemed to be retired through the Debt Retirement Sinking Fund. So long as the First Mortgage shall remain a lien on the mortgaged property the aforesaid requirements with respect to payments to the Trustee for retirement of debts described in this clause (f) or deposit with the Trustee in lieu thereof of such debt reacquired by the Railway Company shall be deemed to require and contemplate the making of such deposits or payments with or to the trustee under the First Mortgage subject to the terms thereof, instead of with or to the Trustee, and the filing with the Trustee of a certificate of the trustee under the First Mortgage with respect thereto.

In the event of any expenditures from the Capital Fund to meet the deficiences specified in clause (d) of this Part B or in the event of expenditures from the funds reserved under clause (e) for the purposes specified in clause (d), then, after such expenditures, no contingent charges of the Railway Company nor any dividends on any class of its stock shall be paid, until there has been restored to the Capital Fund, by way of reimbursement, or to the reserve set up under clause (e), an amount equal to such expenditures from the Capital Fund made pursuant to clause (d) or clause (e) or both of such clauses, such reimbursement to be made as provided in clause (b) of Section 2 of this Article V, or from any other source not required to be otherwise used or reserved. Prior to making any expenditure from the Capital Fund under clause (d), or under clause (e) for the purposes specified in clause (d), of this Part B, there shall be filed with the Trustee a certified copy of a resolution of the Board of Directors evidencing the determination of the Board to use funds for the purposes therein specified and an Officers' Certificate specifying the total fixed charges, serial debt maturities and unconditional sinking fund requirements of the Railway Company, and the amount of earnings available therefor, and determining the existing deficiency in earnings. Within 10 days after reimbursement of the Capital Fund by the restoration thereto of the amount of such expenditures made under clause (d) or clause (e) or both of such clauses, there shall be filed with

ARTICLE V

Special Covenants

Section 1. Part A. The Railway Company covenants that it will create and maintain a fund to be known as the "Capital Fund" and pay into such Capital Fund the following:

(a) Such amounts charged against income account of the Railway Company as the Uniform System of Accounts shall require for depreciation or depletion of its property, or, if no specific charge for depreciation or depletion shall have been so required, then a reasonable amount therefor which may be established by the Board of Directors within the maximum permitted by the Uniform System of Accounts; or, if a depreciation charge to income account is not made with respect to any particular class of its property, then the charge made to income account representing such property retired, except that no such payment into the Capital Fund shall be required with respect to charges made to income account for non-depreciable property retired and not replaced. Payments into the Capital Fund under this clause (a) may be made on a monthly accrual basis or otherwise, provided that all such required payments into the Capital Fund relating to any calendar year shall have been completed on or before April 1 of the following year.

(b) The amounts realized by the Railway Company from the sale of salvage from, or from insurance upon (i) its depreciable property retired, together with an amount of cash equal to the value of salvage recovered in connection with such retirement which is retained for re-use (when in each case such amounts are credited to "accrued depreciation"), and (ii) its non-depreciable property retired and not replaced, unless in each case the payments provided by this clause (b) are required to be deposited with the Trustee or the trustee or mortgagee of a lien prior to the lien of the Mortgage under Section 2 of Article VIII. Payments into the Capital Fund of the amounts required to be paid under this clause (b) shall be made as and when such amounts are deter-

with respect to the preceding calendar year (i) the amounts of all payments into the Capital Fund required under the provisions of clauses (a) to (d) of Part A of this Section 1, and, in the case of the first such report, the amount paid under the provisions of clause (a) of this Part C; (ii) the amounts of all expenditures and unexpended appropriations from the Capital Fund made pursuant to the provisions of clauses (a) to (f) of Part B of this Section 1, and if any expenditures have been made under the provisions of clause (c) of Part B, the description, principal amounts and dates of the issue of all First Mortgage Bonds, Bonds and Equipment Trust Obligations issued to finance the balance of the cost of Additions, a portion of which has been paid by expenditures from the Capital Fund; and (iii) a computation of any balance which at the end of such calendar year is required by clause (f) of Part B of this Section 1 to be permanently reserved for the purposes herein set forth.

Section 2. Reports of the trustee of the Debtor appointed in the reorganization proceedings hereinbefore referred to, filed with and approved by the Court, determining Available Net Income for the calendar years 1939–1943, inclusive, shall be conclusive for all purposes of this Section 2 and the Railway Company shall be fully protected in relying thereon. For all purposes of this Section 2 the Railway Company shall be fully protected in relying upon the records and accounts of said trustee of said Debtor for any period of time elapsing from the beginning of the calendar year 1944 until termination of the operations of the properties of said Debtor by said trustee in connection with the consummation of said reorganization, and said records and accounts of said trustee shall be conclusive for all purposes of this Section 2. The Railway Company covenants that Available Net Income determined for the calendar year 1943, to the extent not applied in accordance with this Section 2 at the time of termination of the operation of properties of said Debtor by said trustee, shall be so applied by the Railway Company.

The Railway Company covenants that Available Net Income

ment of sinking fund obligations (including all payments required to be made pursuant to Section 3 of this Article V or Section 3 of Article V of the First Mortgage) with respect to Bonds and First Mortgage Bonds authenticated and delivered on the basis of equipment owned by the Railway Company as they, in each case, mature during the calendar year.

(b) Additions constituting replacements of property retired, which replacements are required for the safe and efficient operation of the property of the Railway Company.

(c) Payments in cash for

(i) not to exceed 25% of the cost of equipment constituting Additions, the remaining balance of the cost of which equipment may be funded into Bonds or First Mortgage Bonds for not more than 75% of the total cost, and

(ii) not to exceed 25% of the cost of property (other than equipment) constituting Additions, the remaining balance of the cost of which property may be funded into Bonds or First Mortgage Bonds for not more than 75% of the total cost, provided that such funding shall be made before the end of the calendar year next following the acquisition of such property and that the aggregate of all payments made under this clause (ii) shall not exceed the aggregate of payments made into the Capital Fund under clause (d) of Part A of this Section 1, and

(iii) any part of the total cost of equipment which is financed as to the balance through Equipment Trust Obligations.

(d) Should an emergency exist resulting in insufficient earnings from which to meet all fixed charges, serial debt maturities and unconditional sinking fund requirements of the Railway Company (other than, or to the extent not, provided for under clause (a) of this Part B), the Capital Fund may be used, in the discretion of the Board of Directors, to the extent necessary to meet any such deficiencies.

(e) The unappropriated balance not in excess of $3,000,000

(e) To the payment of contingent interest on any series of Bonds issued under the Mortgage other than the Bonds of Series A.

(f) To the payment on April 1 of the annual installment required to be paid into the sinking fund for the benefit of the Bonds of Series A by clause (b) of Section 4 of this Article V.

(g) To the payments into the Debt Retirement Sinking Fund provided by Section 4 of Article V of the First Mortgage, but in no event more than 50% of any remaining Available Net Income not applied under clauses (a) to (f) above, and only on the conditions provided in said Section 4.

(h) Any remaining Available Net Income may be held or paid out for dividends on the several classes of stock in the order of their priority, or for general corporate purposes, all as the Board of Directors may from time to time determine in its discretion.

The order of priority for the disposition of Available Net Income set forth in clauses (a) to (h) above shall be subject to the following:

(i) No contingent interest on any obligation need be paid on any interest payment date prior to maturity of such obligation under any provision of this Section 2 in an amount less than ¼ of 1% of the principal amount of such obligation. No interest payment on any contingent interest bearing obligation need be made at any time except in multiples of 1c for each $100 of principal amount thereof. Any amount available for contingent interest on any obligation, but not paid on any interest payment date prior to maturity thereof by reason of the first sentence of this clause (i), shall be reserved and added to the amount available for, or payable on account of, interest on such obligation on the next date on which interest thereon shall be paid, but shall be payable in any event at maturity of such obligation. Any amount available for contingent interest on any obligation, but not paid on any interest payment date prior to maturity thereof by reason of the provisions of the second sentence of this clause (i), shall be reserved and added to the amount available for or payable on

account of such interest on the next date on which interest shall be paid.

Each amount available for contingent interest which is not paid on any interest payment date but required by this clause (i) to be reserved for future payment shall be deposited on such interest payment date with the Trustee. The Trustee shall make available on any subsequent interest payment date to the Railway Company or any paying agent upon an order of the Railway Company signed in its behalf by the President or one of its Vice Presidents, such part of moneys previously deposited with the Trustee, as aforesaid, as may then be payable and be specified in such order. Provisions relating to or limiting the withdrawal of cash set forth elsewhere in the Mortgage shall not be deemed to apply to moneys at any time held by the Trustee under this clause (i) or to the withdrawal thereof.

The sum of $265,582 withheld by the trustee of the Debtor appointed in the reorganization proceedings hereinbefore referred to, but properly part of the equivalent of interest on Bonds of Series A payable for the year 1940, all as shown by report of said trustee filed with the Court, shall be deposited by the Railway Company with the Trustee and treated as though reserved for future payment pursuant to this clause (i).

(ii) Contingent interest or sinking fund requirements for any series of Bonds, other than Bonds of Series A, may be provided for by the Board of Directors at the time of the creation of such series, having a call on Available Net Income which will share pro rata with that provided by any one of the clauses (d) to (h), inclusive, of this Section 2.

(iii) Sinking funds for series of First Mortgage Bonds (other than Series A due January 1, 1989) may be provided for by the Board of Directors at the time of the creation of any such series, having a call on Available Net Income in the order of priority provided by clause (a) of this Section 2.

therefor, although there be no Available Net Income applicable thereto; provided, however, that such payments pursuant to this paragraph shall be made only in the order of priority provided in this Section 2 and only if (a) all payments having priority of call upon the Available Net Income of the preceding calendar year shall have been paid in full and (b) the Board of Directors shall have determined that the funds to be used for such payments pursuant to this paragraph are not needed for Additions that are necessary or desirable for the safe operation of the properties of the Railway Company or for the realization of customary standards of efficiency or economy in the operation of such properties.

SECTION 3. Whenever the acquisition of equipment constituting Additions is made the basis for the authentication and delivery of Bonds or the withdrawal of cash under any provision of the Mortgage, the Railway Company covenants to pay to the Trustee on each January 1 and July 1 thereafter an amount in money equal to 1/30th of the amount of Bonds or cash the delivery or withdrawal of which is applied for in respect of such equipment until 30 such payments have been made. If such equipment or any part thereof shall have been in use for a period of more than 90 days at the time of application for the authentication and delivery of Bonds or the withdrawal of cash, as the case may be, the Amount of Additions represented thereby as shown in such application shall be reduced by 1/30th for each 6 months' period or part of a 6 months' period of prior life of such equipment and the amount of Bonds or cash to which the Railway Company may be entitled on account thereof shall be reduced accordingly; and the amount of payments to the Trustee on each January 1 and July 1 above specified shall be increased by such an amount as to make said semi-annual payments to the Trustee equal in the aggregate, over a period of 15 years diminished by 6 months for each 6 months' period or part of a 6 months' period of prior life of such equipment, to the amount of Bonds or cash which the Railway Company may be entitled to receive or withdraw. If any part of such equipment shall have been used for a period of more

at the lower of the cost of reacquisition thereof (less any accrued interest paid on such reacquisition) or the maximum price which the Trustee would be authorized under Part A of Section 6 of Article IV to pay therefor on a purchase thereof at the time the same are deposited. Any such Bonds so deposited with the Trustee shall be accompanied by an Officers' Certificate stating that such Bonds have theretofore been duly issued and outstanding and have been reacquired by the Railway Company and stating the prices at which the same were reacquired and that none of the same have theretofore been Bonded, and such Bonds shall be deemed for all purposes of the Mortgage to have been retired through the Debt Retirement Sinking Fund.

SECTION 4. The Railway Company covenants that on September 1, 1944, and annually thereafter on April 1, it will deposit with the Trustee hereunder, as and for a sinking fund for the retirement of Bonds of Series A, (a) such amount as may be applicable for such purpose out of Available Net Income for the preceding calendar year under clause (d) of Section 2 of this Article V, and (b) such amount not exceeding ½ of 1% of the aggregate principal amount of Bonds of Series A originally authorized to be issued hereunder as may be applicable for such purpose out of Available Net Income for such preceding calendar year under clause (f) of Section 2 of this Article V. There shall be no accumulation of amounts payable under clause (b) of the preceding sentence in case there shall not be applicable Available Net Income for any calendar year sufficient to pay for such calendar year the full amount contemplated by said clause (b).

The Railway Company covenants that on September 1, 1944, it will deposit as and for a sinking fund with the Trustee hereunder, in addition to any amount required by the preceding paragraph then to be deposited, the sum of $1,050,590, being the aggregate of amounts which would have been required to be deposited with the Trustee under clause (b) of the first sentence of the preceding paragraph out of Available Net Income for the calendar years 1939, 1940, 1941 and 1942, if the Mortgage and the provi-

their opinion, taking into account market and all other relevant conditions at the time, including the ability to issue and deliver preferred and common stock under the articles of organization of the Railway Company, it is impracticable to provide the amount of money expected to be realized through sale or pledge of such Bonds

(a) by the sale of preferred stock at a price to the Railway Company allowing a current dividend return, on the basis of the preferential dividend rate specified, of 6 per cent or less, or

(b) by the sale of common stock at a price, not less than $50 a share, to the Railway Company, allowing a current dividend return, based on the regular dividend rate then in effect, or, if no regular dividend rate is in effect, at a rate, based upon dividends actually paid on the common stock during the last 12 calendar months, of 6 per cent or less.

The provisions of this Section 5 shall be inoperative on any occasion when

(1) the Finance Committee, by a resolution adopted by a majority vote of a quorum, a certified copy of which shall be filed with the Trustee, shall determine that compliance therewith might unreasonably endanger punctual payment of the Railway Company's obligations; or

(2) the Interstate Commerce Commission, or other federal governmental authority having jurisdiction in the premises, shall determine by order, a certified copy of which shall be filed with the Trustee, that compliance therewith would not be in the best interests of the public or of the Railway Company.

SECTION 6. The Railway Company covenants that it will not, directly or indirectly, pledge any Bonds to secure any debt if, after giving effect to such pledge, (a) the aggregate principal amount of all Bonds then the subject of pledge by the Railway Company would exceed the aggregate principal amount of all debt thereby secured by more than 10% of the aggregate principal amount of all Bonds theretofore authenticated and delivered and

ARTICLE VI

GENERAL COVENANTS

The Railway Company covenants as follows:

SECTION 1. The Railway Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on the Bonds at the times and the place or places and in the manner and to the extent specified therein and in the coupons.

SECTION 2. (a) The Railway Company will maintain in the Borough of Manhattan, City and State of New York, and in each other city, if any, at which the principal of or interest on any of the Bonds is payable, or any Bond may be convertible, an office or agency where payment of the principal of and interest on Bonds shall be made, as in Article II provided, and where notices, presentations and demands to or upon the Railway Company in respect of such Bonds or coupons appertaining thereto as may be payable at such place or in respect of the Mortgage may be given or made, and such Bonds as are then convertible may be presented and surrendered for conversion. The Railway Company will give to the Trustee notice of the location of any such office or agency and of any change of location thereof. In case the Railway Company shall fail to maintain such an office or agency or shall fail to give such notice of the location or of any change in the location thereof, notices, presentations and demands may be given or made at the principal office of the Trustee. The Railway Company will also maintain in the Borough of Manhattan, City and State of New York, and in such other city, if any, where it is provided pursuant to Article II, that such Bonds may be registered, transferred and exchanged, an office or agency where such registration, transfer and exchange may be made.

(b) If the Railway Company shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent

mortgages, assignments and transfers as the Trustee shall reasonably require for the better mortgaging, assigning and confirming to the Trustee the property hereby mortgaged, conveyed or assigned, or intended so to be, or which the Railway Company may hereafter become bound to convey or assign to the Trustee.

The Railway Company will deliver to the Trustee on or before the last day of March in each year after the year 1944, a report signed by its President or a Vice President setting forth in reasonable detail a description including the location (except in the case of equipment) of any substantial items of real and personal estate and of any substantial rights and franchises acquired within the previous calendar year.

SECTION 4. The Railway Company owns and is lawfully possessed of the lines of railroad, property and franchises referred to in the granting clauses hereof, and is duly authorized to operate and does operate said lines of railroad, and covenants and agrees to execute any and all instruments and do any and all acts or things necessary or proper to perfect its title to the same or any thereof, and, subject to the provisions of Article IX, to take all steps and do all acts necessary to continue and maintain its corporate existence.

SECTION 5. The Railway Company from time to time as they shall become due will make, or cause to be made, any and all payments required to be made under and by the terms of any Equipment Trust Obligation, including those described in the granting clauses hereof, and will do or cause to be done all and every such further acts as may be necessary to assure to the Railway Company the use of the equipment to which such Equipment Trust Obligation relates and the ultimate acquisition of complete title thereto.

Nothing in this Section 5 contained and nothing in any other provision of the Mortgage, express or implied, is intended or shall be construed to limit the right or power of the Railway Com-

(iv) If any contingent interest on any obligation of the Railway Company shall become fixed interest, or if any obligation of the Railway Company, including any obligation to pay into any sinking fund, specified in clauses (a), (c), (d), (e), (f) and (g) of this Section 2, shall cease to be an obligation of the Railway Company, either through payment or satisfaction in full, or if for any other reason the indenture securing or providing for such obligation has been terminated and released, whether by refunding or otherwise, the requirement to apply Available Net Income for such obligation in the order of priority provided in this Section 2 shall cease and the amount of Available Net Income otherwise required to be applied thereto, after meeting all remaining requirements, if any, of the same order of priority, shall be applied thereafter to the remaining purposes in the order of priority specified.

Within 90 days after December 31, 1944, and within 90 days after each December 31 thereafter, the Railway Company shall file with the Trustee (a) a certified copy of a resolution of the Board of Directors determining the Available Net Income for the preceding calendar year, and (b) a report signed by the President or a Vice President and by the Comptroller, Treasurer or Assistant Treasurer of the Railway Company showing the computation of such Available Net Income for the previous calendar year and the payments made by the Railway Company during the preceding calendar year pursuant to the provisions of this Section 2.

In determining Available Net Income for any year the members of the Board of Directors may rely upon and shall be fully protected in relying upon any statement signed by the Comptroller or other chief accounting officer of the Railway Company as to any facts set forth therein and upon the advice of counsel as to the meaning and application of any provision of the Mortgage.

The Board of Directors may in its discretion at any time pay any contingent interest on the Bonds which is at the time accumulated or currently accrued, out of any funds lawfully available

than 90 days prior to the time of such application, then for the purposes of the preceding sentence the prior life of all of such equipment shall be deemed to be the average length of time during which each dollar's worth of such equipment shall have been in use.

For the purposes of this Section 3, whenever any Additions constituting equipment are included in an application for the authentication and delivery of Bonds or the withdrawal of cash, it shall be presumed (except to the extent that such equipment shall be reserved and eliminated as permitted in the computation of Bondable Additions and Bondable Net Additions pursuant to Article I) that the entire amount of such Additions constituting equipment has been made the basis for the authentication of Bonds or the withdrawal of cash, pursuant to such application.

Such moneys shall be held by the Trustee as a part of the Debt Retirement Sinking Fund and shall be applied to the retirement of any Bonds issued under the Mortgage, or if designated by resolution of the Board of Directors, Bonds of a particular series, in accordance with the provisions of Section 6 of Article IV; provided that if the application for the authentication of Bonds on the basis of equipment requests the authentication of Bonds of a special series created under supplemental indenture providing for the retirement of a principal amount of Bonds of such series within a period meeting the requirements for the retirement of Bonds as specified in the first paragraph of this Section 3, either through a sinking fund or through serial maturities, then the payments into the Debt Retirement Sinking Fund provided by the first paragraph of this Section 3 shall not be required unless the Bonds of such special series shall be refunded through the issue of other Bonds prior to the retirement of a principal amount of Bonds of such special series sufficient to comply fully with the provisions of this Section 3.

In lieu of depositing cash with the Trustee to be held as part of the Debt Retirement Sinking Fund, as in this Section 3 provided, the Railway Company may reacquire Bonds required to be retired therewith and may deposit the same with the Trustee

sions of this Section 4 had been operative from January 1, 1939. In connection with the application of funds deposited in accordance with the preceding sentence, the Trustee may purchase, upon tenders or at public or private sale, Bonds of Series A tendered or offered by the Railway Company, provided that no such Bonds shall be so purchased from the Railway Company at a price in excess of the cost thereof to the Railway Company (including only such accrued fixed interest as may have been paid by the Railway Company upon its acquisition thereof on account of an interest period current at the time of tender or offer) as shown by a statement, signed by the Treasurer or an Assistant Treasurer of the Railway Company and filed with the Trustee, stating the prices at which the same were reacquired.

Moneys deposited under the provisions of this Section 4 shall be applied to the purchase or redemption of Bonds of Series A in accordance with the provisions of Section 7 of Article IV. Upon any such purchase, all amounts paid on account of accrued interest shall, notwithstanding the provisions of Section 7 of Article IV, be paid out of the sinking fund and need not be reimbursed by the Railway Company. The redemption price of Bonds of Series A for the purposes of the sinking fund provided for by this Section 4 shall be the redemption price specified by Section 1 of Article IV. Bonds of Series A purchased or redeemed with moneys deposited with the Trustee pursuant to this Section 4 shall be held by it (in the form of registered Bonds without coupons, registered in its name), and shall continue to bear interest, in each case, until the maturity date thereof, or until no other Bonds of Series A remain outstanding, whichever event shall first occur, whereupon (but not before) they shall be cancelled by the Trustee.

SECTION 5. The Railway Company covenants that it will not sell or pledge any of the Bonds other than Bonds to be authenticated and delivered under Section 1 of Article III unless 2/3 of the members of the Board of Directors or 2/3 of the members of the Finance Committee shall have determined by a resolution, a certified copy of which shall be filed with the Trustee, that in

then uncancelled (exclusive of Bonds held uncancelled under and pursuant to any sinking fund or other debt retirement provision of the Mortgage), or (b) the aggregate principal amount of all Bonds and First Mortgage Bonds then the subject of pledge by the Railway Company would exceed the aggregate principal amount of all debt thereby secured by more than 10% of the aggregate principal amount of all Bonds and First Mortgage Bonds theretofore authenticated and delivered and then uncancelled (exclusive of Bonds and First Mortgage Bonds held uncancelled under and pursuant to any sinking fund or other debt retirement provision of the Mortgage or the First Mortgage, as the case may be). Emergency Bonds authenticated and delivered pursuant to Section 3 of Article III of the First Mortgage shall be wholly disregarded for the purposes of this Section 6.

shall agree with the Trustee, subject to the provisions of this Section 2,

(1) that it will hold all sums held by it as such agent for the payment of the principal of, or interest on, any of the Bonds (whether such sums have been paid to it by the Railway Company or by any other obligor on the Bonds) in trust for the benefit of the holders of such Bonds or the coupons for such interest, as the case may be; and

(2) that it will give the Trustee notice of any failure by the Railway Company (or by any other obligor on such Bonds) to make any payment of the principal of or interest on such Bonds when the same shall be due and payable and payment thereof demanded at the office of such paying agent.

(c) If the Railway Company shall act as its own paying agent in respect of the Bonds of any series, it will, on or before each due date of the principal of or interest on such Bonds, set aside, segregate and hold in trust for the benefit of the holders of such Bonds or the appurtenant coupons, as the case may be, a sum sufficient to pay such principal and interest so becoming due, and will notify the Trustee of any failure to take such action.

(d) Anything in this Section 2 to the contrary notwithstanding, the Railway Company may, at any time, for the purpose of obtaining a release or satisfaction of the Mortgage or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it or any paying agent pursuant to this Section 2, such sums to be held by the Trustee upon the same trusts as in this Section 2 provided for.

(e) Anything in this Section 2 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 2 is subject to the provisions of Section 4 of Article XVI.

SECTION 3. The Railway Company will execute and deliver, or will cause to be executed and delivered, all such further deeds,

pany, which is hereby expressly reserved, prior to the maturity of any Equipment Trust Obligation, to extend the balance of the rental or other payments remaining to be paid thereunder or secured thereby or to refinance the same by entering into a new Equipment Trust Obligation.

SECTION 6. The Railway Company covenants that it will well and truly pay and discharge upon presentation thereof for payment when due, the principal of all obligations having a lien on the mortgaged property or any part thereof, prior to the lien of the Mortgage; and that until paid or discharged at maturity or otherwise it will pay or cause to be paid the interest payable thereon at the time and at the place or places therein or in the coupons attached thereto set forth; and that it will prevent any default or other thing from happening, whereby the right might arise to enforce by foreclosure or otherwise any such obligations; provided, however, that anything herein to the contrary notwithstanding the Railway Company may extend or renew any such obligations.

SECTION 7. The Railway Company, from time to time, will pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges (the lien whereof would be prior to the lien of the Mortgage) lawfully imposed upon the mortgaged property or upon any part thereof, or upon the income and profits thereof, and also all taxes, assessments and governmental charges lawfully imposed upon the lien or interest of the Trustee in respect of the mortgaged property or the income thereof, so that the lien and priority of the Mortgage shall be fully preserved at the cost of the Railway Company without expense to the Trustee or the holders of Bonds; provided, however, that the Railway Company shall not be required to pay any such taxes, assessments or governmental charges so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby, in the judgment of the Trustee, the security afforded by the Mortgage will be mate-

rially impaired or endangered; and provided further, that the Railway Company shall not be required to pay such taxes, assessments or governmental charges on property it has abandoned pursuant to permission granted by the Interstate Commerce Commission or by any other governmental body having jurisdiction in the premises; and provided further, that the Railway Company shall not be required to pay any such taxes, assessments or governmental charges on property it has abandoned where no governmental body has jurisdiction if the property abandoned is no longer necessary for the maintenance or operation of the lines of railroad subject to the lien of the Mortgage.

SECTION 8. The Railway Company, from time to time as the same shall become due and payable, will observe and perform all of its obligations, and will pay and discharge all sums payable, under and by virtue of any lease or trackage agreement held by it and subject to the lien of the Mortgage and will not suffer or permit any default for which such lease or trackage agreement may be terminated, so that, subject to the provisions of Articles VIII and IX, the interest of the Railway Company in all such leasehold estates or trackage agreements shall be preserved unimpaired as security for the Bonds and coupons hereby secured.

Nothing in this Section 8 contained shall require the Railway Company to make any such payments or to observe any such obligations so long as the Railway Company in good faith shall contest its liability for any such payments or its duty to observe any such obligations, unless in the opinion of the Trustee such action might endanger the interests of the holders of Bonds.

SECTION 9. The Railway Company covenants and agrees that the Mortgage is and always will be kept a lien upon all the mortgaged property, subject only to the liens prior thereto specified or referred to in the granting clauses hereof, the right, charge, lien or title of Equipment Trust Obligations, Permitted Encumbrances, and purchase money liens on property acquired after the date hereof and liens thereon existing at the time of such acquisition,

provided the consent and acquiescence of the holders of 66⅔% of the principal amount of Bonds then outstanding be first obtained in the manner provided by Article XI.

SECTION 10. Subject to the provisions of Articles VIII and IX, to the extent needful and proper for the efficient and economic operation of its properties, the Railway Company will diligently preserve all of the rights and franchises granted to it or conferred upon it, and will maintain, preserve and keep the same and every part thereof, and will at all times maintain, preserve and keep its railroads, fixtures and appurtenances in good repair, working order and condition and will from time to time make all needful and proper repairs thereto and renewals and replacements thereof, and will at all times keep the lines of railroad subject to the Mortgage supplied with equipment together with machinery, tools and other supplies, will maintain the same in good order and condition, reasonable wear and tear excepted, and will from time to time make all needful and proper repairs thereto and renewals and replacements thereof.

SECTION 11. Subject to the terms and provisions of Articles VIII and IX, the Railway Company covenants and agrees that it will maintain its property, rights and franchises and continue the full enjoyment thereof so as to maintain the general continuity of its lines of railroad between the principal points served by it as of the date of the execution and delivery of the Mortgage or at any time thereafter.

SECTION 12. The Railway Company covenants that it will forthwith (a) cancel or cause to be cancelled and deposit with the Trustee all Refundable Obligations (other than Bonds and First Mortgage Bonds) which may hereafter be acquired uncancelled by the Railway Company, whether or not they shall have theretofore become due and payable, unless the Railway Company shall, by the terms of any lien prior to the lien of the Mortgage, be required to make delivery or deposit thereof, cancelled or uncancelled, with the trustee or mortgagee of such lien; and (b) will deposit and pledge with the Trustee all shares of stock or

the principal amount of such Prior Lien Bonds and the principal amount of Bonds and First Mortgage Bonds then outstanding.

SECTION 14. The Railway Company covenants that in case it pays more than 25% of the cost of equipment from the Capital Fund and subsequently recovers any part of such excess through the issuance and sale of Equipment Trust Obligations, Bonds or First Mortgage Bonds, it will reimburse the Capital Fund from any amounts so recovered but only to the extent of such excess.

The Railway Company further covenants that it will not issue any obligations or other securities on account of Additions paid for from the Capital Fund (except common stock, Bonds issued as contemplated by clause (c) of Part B of Section 1 of Article V, First Mortgage Bonds issued as contemplated by clause (c) of Part B of Section 1 of Article V of the First Mortgage, and Equipment Trust Obligations), or paid for from the proceeds of the issue and disposition of Bonds reserved for rehabilitation under Section 2 of Article III of the First Mortgage or constituting grants or donations; and that it will not issue any obligations or other securities (except common stock) with respect to any obligations of the Railway Company retired through expenditures from the Capital Fund under clause (f) of Part B of Section 1 of Article V, or through application of Available Net Income under clauses (a) to (g), inclusive, of Section 2 of Article V.

The Railway Company covenants that when its Secured Serial Payment Notes are paid and discharged, the collateral securing said Notes shall be cancelled and retired and that no other securities shall be issued by the Railway Company on the basis thereof.

The Railway Company further covenants that it will not apply for or procure the authentication and delivery of any Bonds hereunder, the release of property herefrom, or the payment or application of any cash deposited under the Mortgage, except upon compliance by it with the applicable provisions of the Mortgage.

SECTION 18. The Railway Company will cause all the mortgaged property which is of a character usually insured by railway companies to be kept insured against such risks, in such manner, and to such extent as is customary and usual in the operation of railway companies in the territory served by the Railway Company, with such special provisions for blanket insurance with exclusion limits, or such provisions for self-insurance, as may be within the scope of any policy of the Railway Company relating to insurance adopted with the approval of the Board of Directors, evidenced by resolution thereof duly certified and filed with the Trustee. On or before April 1, 1945, and on or before April 1 in each year thereafter, and at any other time upon the request of the Trustee, the Railway Company will furnish to the Trustee an Officers' Certificate stating in general the character and extent of the insurance then maintained by the Railway Company (including any system of self-insurance then in effect) and stating that the same complies in all respects with the requirements of this Section 18.

SECTION 19. The Railway Company covenants that, as and when there shall be filed with, or delivered to, the trustee under the First Mortgage pursuant to any provision thereof, any report, statement, certificate, opinion, copy of resolution, deed, conveyance, assignment or other document or proof, a duplicate or authenticated copy thereof will be filed with the Trustee; and that, as and when there shall be filed with or delivered to the Trustee pursuant to any provision of the Mortgage, any report, statement, certificate, opinion, copy of resolution, deed, conveyance, assignment or other document or proof, a duplicate or authenticated copy thereof will be filed with the trustee under the First Mortgage.

SECTION 20. The Railway Company covenants that at all reasonable times it will permit the Trustee, through its agents, to inspect the mortgaged property or any portion thereof and upon request of the Trustee will furnish to the Trustee such information with respect to the mortgaged property as the Railway Company may have.

ARTICLE VII

PLEDGED SECURITIES

SECTION 1. As used in this Article VII the words "debt-security" shall include bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money; the word "stock" shall be construed to denote proprietary interest in a corporation or other analogous legal entity or certificates evidencing the same; and the word "securities" shall mean either debt-securities or stock as thus defined, or both. All securities deposited with the Trustee and pledged hereunder, shall be delivered to the Trustee and held by the Trustee in accordance with the provisions of the Mortgage, subject to the lien thereof, and if not already in bearer form, or issued in the name of the Trustee, shall be duly endorsed in blank for transfer or accompanied by appropriate instruments of assignment and transfer in blank. All debt-securities so deposited and pledged may be in temporary or definitive form, and shall be accompanied by all unmatured coupons appertaining thereto, if any, and if susceptible of registration as to principal or interest, may, if the Trustee shall so determine, and shall if the Railway Company so requests, be registered, or exchanged for securities issued, in the name of the Trustee or its nominee or nominees. Any securities at any time deposited and pledged with the Trustee may, in the discretion of the Trustee, and at the request of the Railway Company shall, be stamped by the Trustee with an appropriate legend to the effect that the same are held in trust for the purposes declared in the Mortgage. The Trustee shall not be obligated to examine or pass upon the validity or genuineness of any securities tendered for deposit and pledge with it, but the Trustee shall be entitled to rely upon appropriate certificates signed by appropriate officers of the companies issuing the securities pledged, and upon appropriate Opinions of Counsel that any securities so tendered are genuine and valid and what they purport to be and that any endorsements or assignments thereof are effective, genuine and valid.

The Trustee may at any time accept any pledge, assignment or transfer of any securities which may be made to it by the Rail-

of interest thereon has been paid, shall note or permit to be noted thereon the fact of such payment.

3. The Trustee shall not (except with the consent of the Railway Company or as otherwise authorized by the Mortgage), whether at, before, or after the maturity thereof, collect, or be entitled to enforce the collection or payment of, the principal or interest of any debt-securities pledged hereunder, nor to enforce any provision of, or exercise any right under, any mortgages, trust deeds or other instruments under or pursuant to which such debt-securities were issued, or by which the same are secured.

Provided, however, and it is hereby declared and agreed that, except as in the Mortgage elsewhere otherwise expressly provided:

(i) The Railway Company shall not be entitled to collect or receive and the Trustee shall not pay over or deliver to the Railway Company, and if collected or received by the Railway Company, it shall forthwith pay over or deliver to the Trustee with respect to any securities pledged or required to be pledged hereunder (a) the principal, in whole or in part, of any debt-security; (b) any interest on any debt-security which shall have been collected or paid out of the proceeds of any sale or condemnation of, or the proceeds of insurance on, the property covered by a mortgage or other lien securing such security, or out of the proceeds of sale of any property of the corporation liable upon such security in case of the dissolution, liquidation or winding up of such corporation, or out of any other proceeds of capital assets; (c) any amounts paid on redemption of any security, other than on account of accrued interest or dividends; (d) any liquidation dividends consequent upon the dissolution, or total or partial liquidation or winding up, or reduction of stock, of any corporation; and (e) any other dividends, whether payable in stock, cash or property, excepting only earned cash dividends.

(ii) The Railway Company shall not collect any such dividends, coupons or interest by legal proceedings or by the enforcement of any security therefor, except with the consent of the

and that it will not voluntarily create, or suffer to be created or to arise, any other lien or charge having priority to, or preference over, the lien of the Mortgage upon the mortgaged property, or any part thereof, or upon the income thereof; and, that within three 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 the Mortgage as a lien or charge upon the mortgaged property or any part thereof, or the income thereof; provided, that the Railway Company shall not be required to pay any such debt, lien or charge so long as it shall, in good faith, by appropriate legal proceedings, contest the validity thereof or the amount thereof unless thereby, in the judgment of the Trustee, the security afforded by the Mortgage will be materially impaired or endangered.

Nothing in the Mortgage contained shall be construed to prevent the creation of a new lien or mortgage upon the mortgaged property in lieu of or in substitution for the First Mortgage to refund First Mortgage Bonds at the time outstanding, or the supplementing or modification of the provisions of the First Mortgage, without the consent or acquiescence of the holders of the Bonds in either case, if the new lien or mortgage, or the First Mortgage as supplemented or modified, is not substantially more prejudicial to the holders of the Bonds than the First Mortgage previously was, with respect to debt then and thereafter issuable, or the respective duties, rights and obligations of the Railway Company and the trustee or mortgagee under the new lien or mortgage, or the Trustee, pertaining to the release, possession, use or other disposition of property or cash which may at any time be subject to the lien of the Mortgage or be deemed so to be by virtue of any provision of the Mortgage; or to prevent the creation of such new lien or mortgage, or the supplementing or modification of the First Mortgage, even though substantially more prejudicial to the holders of the Bonds than the First Mortgage previously was, in the one or more respects above mentioned,

other securities of any Qualified Subsidiary which may be owned by the Railway Company after the date of qualification of such Qualified Subsidiary. All such stocks and securities of any Qualified Subsidiary so deposited with the Trustee shall constitute further security for the Bonds under the terms and conditions of Article VII. All such Refundable Obligations so cancelled or disposed of and all such stock or other securities of a Qualified Subsidiary so deposited and pledged under the provisions of this Section 12, may be made the basis, then or from time to time thereafter, for the authentication and delivery of First Mortgage Bonds and Bonds and the withdrawal of cash under any provision of the Mortgage or First Mortgage, and may be used as a deposit in lieu of cash with respect to any payments to be received and held under any sinking fund requirements or under any provisions respecting the Debt Retirement Sinking Fund (unless theretofore used for such purposes), to the extent, in the manner and subject to the conditions set forth in the First Mortgage and the Mortgage.

So long as the First Mortgage shall remain a lien on the mortgaged property the word "Trustee" as used in this Section 12 shall be deemed to refer to the trustee under the First Mortgage acting as such under and pursuant to the provisions of Section 12 of Article VI of the First Mortgage, and during such time compliance by the Railway Company with the provisions of said Section 12 of Article VI of the First Mortgage in any respect, as evidenced by a certificate of the trustee of the First Mortgage to that effect filed with the Trustee, shall constitute compliance with the provisions of this Section 12.

SECTION 13. The Railway Company covenants that it will not apply for or obtain the authentication and delivery of any Bonds or the withdrawal of any cash or the release of any property under any provision of the Mortgage on the basis of property constituting Additions subject to any Prior Lien, if after giving effect thereto the amount of property constituting Additions which is then subject to the liens securing Prior Lien Bonds which are Refundable Obligations would exceed 3% of the aggregate of

SECTION 15. The Railway Company covenants and agrees that it will not increase or permit to be increased in principal amount any of its obligations (other than Equipment Trust Obligations and First Mortgage Bonds) which are at the time of the making or assuming of such obligations secured by a lien on the mortgaged property or any part thereof, prior to the lien of the Mortgage, unless the obligations representing such increase so secured by any such lien are forthwith deposited and pledged with the Trustee or the trustee under the First Mortgage, in accordance with the provisions of Article VII; provided that nothing in this Section 15 contained shall prevent the Railway Company from extending or renewing any such obligations so secured.

SECTION 16. The Railway Company will maintain a record of all equipment subject to the lien of the Mortgage and will furnish to the Trustee at least once in each period of 3 years following the date of the execution and delivery of the Mortgage a statement of the number of units by classes of said equipment, showing separately the equipment, if any, that is held under or is subject to Equipment Trust Obligations, and specifying the amount and maturities of all such Equipment Trust Obligations.

SECTION 17. The Railway Company will cause the Mortgage and every supplemental indenture or instrument purporting to create a lien upon the mortgaged property to secure the Bonds, to be recorded and filed and re-recorded and refiled to the extent necessary to make effective and maintain the lien intended to be created thereby; and will furnish to the Trustee not later than April 1 of each year, beginning with the year 1945, a written Opinion of Counsel either stating that in the opinion of such counsel the Mortgage and all necessary indentures or other instruments supplemental thereto have been properly recorded and filed and re-recorded and refiled, as the case may be, so as to make effective and maintain the lien intended to be created thereby, or stating that in the opinion of such counsel no action is necessary to make such lien effective and to maintain the same.

SECTION 21. The Railway Company covenants that each year as soon as practicable after the preparation of the annual report to stockholders, commencing with the calendar year 1945, it will mail to each registered holder of Bonds an annual report in form similar to the annual report furnished by the Railway Company to its stockholders, and will file a copy of said report with the Trustee.

way Company, or others with the written consent of the Railway Company, and the same if so accepted shall thereupon become a part of the mortgaged property.

SECTION 2. Unless and until an Event of Default shall have occurred and be continuing, and except as elsewhere in the Mortgage otherwise expressly provided:

1. All shares of stock which may at any time be pledged hereunder may at all times be represented by certificates issued in the name of the Railway Company. During the continuance of any Event of Default, all such shares of stock may be represented by certificates issued in the name of the Trustee or in the name or names of its nominee or nominees.

2. The Railway Company shall be entitled, from time to time, to collect and receive for its own use, all earned cash dividends which may be declared on shares of stock at the time pledged hereunder, and all sums which may become due and payable for interest upon debt-securities during the time so pledged; and the Trustee, from time to time, upon the written request of the Railway Company, shall deliver to the Railway Company necessary and suitable assignments and orders for the payment to or upon its order, of all such earned cash dividends which, from time to time, may be declared or become payable, and shall deliver to it all coupons pertaining to any such debt-securities, or suitable assignments and orders for the payment to it or upon its order, of all such interest as and when such coupons or interest shall become due and payable or at any time within 30 days prior to the date the same shall become due and payable; and the Trustee, upon the written request of the Railway Company, shall, from time to time, pay over to the Railway Company any and all sums which may be received or collected by the Trustee representing earned cash dividends and interest. As respects any debt-security payable to bearer, but without coupons, at the time pledged hereunder, the Trustee, from time to time, upon receipt of written notice from the Railway Company that any installment

Trustee and in a manner deemed by the Trustee not to be prejudicial to the trusts hereunder.

(iii) Until actually paid, canceled or discharged, each coupon or right to interest or dividends shall remain subject to the lien of the Mortgage; and the Railway Company shall not sell, assign or transfer any such coupon or right to interest or dividends. The Railway Company may, at its election, release and discharge, in whole or in part, any and all claims for interest on any debt-securities of any Qualified Subsidiary at any time pledged hereunder, when and as such interest becomes due. If any such coupon or any such order for the payment of interest shall not be paid when due, the Railway Company shall forthwith return the same to the Trustee; and upon the payment of any such coupon or interest, the Railway Company shall, upon the demand of the Trustee, furnish it satisfactory evidence of the cancellation and extinguishment thereof.

(iv) Unless on notice to the contrary, the Trustee shall be entitled to assume that all such interest has been or will be paid out of current revenues, rents, earnings, profits, or income and that all dividends paid in cash are or will be earned cash dividends.

All moneys received by the Trustee in respect of any securities pledged hereunder shall, unless the Railway Company shall be entitled to receive the same under the provisions of this Section 2, be held, paid out or applied by it as in the case of moneys deposited upon the release of mortgaged property in the manner provided in Section 7 of Article VIII.

SECTION 3. The Railway Company and the Trustee, or either of them, may at any time and from time to time do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation, securities of which shall at the time be pledged under the Mortgage; but it shall be no part of the duty of the Trustee to take any action in respect thereof; and for such purpose the Trustee, from time to time, may sell, assign, transfer and deliver so many shares of the stock of any such corporation at the time

pledged hereunder, as may be necessary to qualify persons to act as directors of, or in any other official relation to, such corporation. In every such case the Railway Company shall make such arrangements with the Trustee as shall be deemed necessary by the Trustee for the protection of the trusts hereunder.

SECTION 4. Unless and until an Event of Default shall have occurred and be continuing, the Railway Company shall have the right from time to time to vote and give consents in respect of all securities at the time pledged hereunder for all purposes not contrary to the provisions of the Mortgage or inconsistent therewith and to consent to, ratify or waive notice of any and all meetings, with the same force and effect as though such securities were not subject to the lien hereof; and the Trustee in respect of securities at the time issued in its name or in the name of its nominee or nominees, from time to time, upon the written request of the Railway Company, shall give suitable waivers of notice and consents and deliver to the Railway Company or to its nominee or nominees, suitable powers of attorney or proxies with or without power of substitution and either generally or for such one or more objects as such proxy shall specify. The Railway Company covenants that it will not vote or permit to be voted or give or permit to be given any consent in respect of any such securities for any purpose contrary to the provisions of the Mortgage or inconsistent therewith.

The Trustee, with the written consent of the Railway Company, evidenced by a certified copy of a resolution of the Board of Directors, and without such consent if an Event of Default shall have occurred and be continuing:

(a) May at any time vote or give consents in respect of any securities at the time deposited and pledged hereunder and authorize such securities to be voted and such consents to be given and may take such other action as to the Trustee, in its discretion, shall seem advisable to protect the interests of the Trustee and of the holders of Bonds in respect of any securities at the time subject to the lien hereof;

vided with the amount of cash necessary therefor (whether such amount be more or less than ten per cent of the price of such property), and security or indemnity satisfactory to it, shall purchase, or cause to be purchased, such property, either in the name or on behalf of the Trustee or of the Railway Company or of purchasing trustees, as the Trustee may determine, and the Trustee shall use, or permit the Railway Company to use, such securities so far as may be permissible to make payment for such property. In the event of any such purchase, the Trustee shall take such steps as it may deem proper to cause such property to be vested either in the Railway Company and subjected to the lien of the Mortgage (in which event, unless the property be that of a Qualified Subsidiary, the Railway Company covenants not to use any such property as a basis for the issue of Bonds or the withdrawal of cash or the release of property under any provision of the Mortgage), or in some other corporation organized for such purpose with power to acquire and operate such property (in which event all securities of such other corporation acquired directly or indirectly through such use of the pledged securities shall be deposited and pledged hereunder in the place and stead of the latter, and shall be held by the Trustee as part of the mortgaged property).

SECTION 6. In case at any time

(a) default shall be made in the payment of the principal of or interest on any debt-security which shall at the time be pledged hereunder, or

(b) default shall be made in any of the covenants, terms or conditions contained in any such debt-security or the mortgage or other instrument securing the same or under or pursuant to which the same shall have been issued, or

(c) the right shall arise to enforce, by foreclosure or otherwise, any such mortgage or other instrument,

then, and in any such case, upon the written request of the Railway Company, evidenced by a certified copy of a resolution

System of Accounts, of the securities of such corporation surrendered as aforesaid.

SECTION 8. Unless an Event of Default shall have occurred and be continuing, the following transactions may be carried out and consummated, subject, however, to compliance with the terms and conditions hereinafter in this Section 8 contained:

(i) The renewal or extension of any debt-security at the time pledged hereunder at the same or a lower or higher rate of interest;

(ii) The renewal or extension of any mortgage or other lien or instruments securing or covering any debt-securities at the time pledged hereunder;

(iii) The issue in substitution for any securities of a Qualified Subsidiary at the time pledged hereunder, of other securities issued by the same Qualified Subsidiary, which, except in the case of common stock, shall be of the same or a greater principal amount or liquidation value in the aggregate, shall be secured by the same or a prior lien or entitle the holder to an equivalent or superior liquidation and dividend preference, and may bear or be entitled to the same or a higher or lower rate of interest or preferential dividend;

subject, however, to the following terms and conditions:

(1) All securities so renewed or extended (if the same are replaced by new securities) and all securities for which new securities are substituted, shall be delivered by the Trustee to the corporation issuing the same, solely for retirement.

(2) All securities so issued in renewal, extension or substitution, shall *ipso facto* and forthwith upon the issue thereof, be pledged hereunder to the same extent and in the same manner as the securities renewed or extended or for which they are substituted.

(3) No such substitution shall be made if it will reduce the percentage of the number of shares of any class of stock of any Qualified Subsidiary at the time pledged hereunder.

sary for use in the conduct of its business, replacing the same by or substituting for the same (if not previously replaced or substituted) other property of equal or greater value or utility to such Qualified Subsidiary, and (2) materials, merchandise, equipment and supplies purchased for the purpose of resale or no longer needed or useful in the continued and efficient conduct of its business;

(d) surrender, or assent to or procure a modification of any franchise, license or permit which it may now or hereafter hold, or under which it may now or hereafter operate, if no impairment of the substantial integrity or efficiency of the system of such Qualified Subsidiary or interference with the continued and efficient operation of its properties will result;

(e) use and consume equipment, materials, merchandise and supplies, deal with contracts and choses in action, and alter, repair, replace, change the location or position of and add to, its roads, buildings, structures, systems, machinery, equipment, apparatus and other fixtures and appurtenances.

SECTION 10. The Railway Company covenants that no Qualified Subsidiary will increase the amount of its outstanding shares of stock of any class, if after such increase the percentage of shares at the time outstanding necessary to meet the requirements of the definition of a Qualified Subsidiary, shall not be pledged hereunder. In the event that the amount of any class of stock at the time outstanding of any Qualified Subsidiary shall be reduced, the Trustee shall surrender for cancellation the certificates evidencing such part of the shares of such class of stock so pledged hereunder as shall be proportionate to the amount of such reduction.

SECTION 11. The Railway Company covenants and agrees that no Qualified Subsidiary will (a) create or increase the amount of its debts secured by lien equal or prior in rank to the lien of any bonds of such Qualified Subsidiary pledged under the Mortgage, unless the debt so created or representing such increase is also

A. All securities of such corporation at the time pledged hereunder shall be simultaneously sold.

B. The Trustee shall be furnished with an Officers' Certificate dated not more than 30 days prior to the delivery thereof and setting forth:

1. A description of the securities to be disposed of by the Railway Company and a statement that the securities so described include all securities of such corporation pledged hereunder.

2. A brief description of the price or consideration to be received by the Railway Company (which consideration may be cash, or cash and purchase money obligations provided that all purchase money obligations shall mature within one (1) year from the date of issue and the aggregate principal amount thereof shall not exceed sixty per cent (60%) of the total amount of such consideration); and a statement that the amount of such consideration is not less than the fair value to the Railway Company of the securities to be sold and represents an adequate consideration therefor.

3. That no Event of Default has occurred and is continuing.

C. The consideration stated in the certificate provided for in subdivision B, to be received by the Railway Company, shall be deposited with the Trustee, and held by it under and upon the terms herein set forth, and any cash so received by the Trustee, and the principal of any such purchase money obligation when received by the Trustee, shall be applied or paid out as in the case of moneys deposited upon release of mortgaged property as provided in Section 7 of Article VIII.

D. The Trustee shall be furnished with an Opinion of Counsel stating that any purchase money obligations mentioned in the certificate provided for in subdivision B are valid obligations, secured by a valid and enforceable pledge of the securities to be sold, free and clear of prior liens, that such pledge contains appropriate provision for the security and protection of the Bonds

issued and to be issued hereunder, and that all necessary consent or approval, if any, of all governmental authorities for the sale and acquisition of such securities, has been obtained; and said opinion shall be accompanied by a certified copy of any such consent or approval.

E. The Trustee shall be furnished with a certified copy of a resolution of the Board of Directors authorizing the sale of the securities mentioned in the certificate provided for in subdivision B, and requesting the release thereof from the lien of the Mortgage.

Upon receipt by the Trustee of the instruments mentioned in subdivisions B, D and E of this Section 14, and the consideration to be received by the Railway Company as therein stated, the Trustee shall release from the lien of the Mortgage and deliver to or upon the written order of the Railway Company, all securities so to be sold, at the time held by the Trustee.

SECTION 15. The Railway Company covenants that except as otherwise expressly provided in the Mortgage, no Qualified Subsidiary will at any time sell, exchange or otherwise dispose of its property or any part thereof unless the Railway Company shall first file with the Trustee the following:

A. An Officers' Certificate dated not more than 30 days prior to the delivery thereof,

(1) stating that the Qualified Subsidiary named has sold or exchanged property, briefly described, or has contracted so to do, for a consideration described in the certificate (which consideration may be cash or property or both), and that such consideration represents, in the opinion of the signers of the certificate, an adequate consideration to such Qualified Subsidiary for the property so sold or exchanged;

(2) setting forth a description of the property, if any, to be received as consideration in whole or in part, and stating that the same is property of the character of the railroad lines or

(b) May in respect of any such securities join in or become party to any plan of reorganization or readjustment (whether voluntary or involuntary) of the corporation issuing such securities and deposit such securities under such plan and may make any exchange, substitution, cancellation or surrender of securities required by any such plan and take such action with respect to securities at the time subject to the lien hereof as may be required by such plan for the accomplishment thereof. All new securities issued under any such plan in exchange for securities previously subject to the lien of the Mortgage shall be deposited with the Trustee and held by it under and for the purposes expressed in the Mortgage.

SECTION 5. In case at any time

(a) any corporation, any securities of which shall at the time be pledged hereunder, shall be dissolved or liquidated, or

(b) all or any of the property of any such corporation shall be sold at any judicial sale, or

(c) any of the property covered by any mortgage securing any indebtedness at the time pledged under the Mortgage shall be sold in foreclosure proceedings or other proceedings for the enforcement of such mortgage or the indebtedness thereby secured,

then and in any such event, if the property of such dissolved or liquidating corporation or the property sold can be acquired by crediting on the securities so pledged then held by the Trustee under the Mortgage any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than 10 per cent of the price of such property in cash (or more than 10 per cent if the Railway Company or the holders of 25 per cent in principal amount of the Bonds outstanding shall so request), the Trustee in its discretion may, and if requested in writing by the Railway Company or the holders of 25 per cent in principal amount of the Bonds outstanding, and upon being pro-

of the Board of Directors delivered to the Trustee, and without such request if an Event of Default shall have occurred and be continuing, the Trustee, as the holder of such debt-security, may in its discretion exercise any and all rights of the holder thereof and any and all rights under the mortgage or other instrument securing the same, or under or pursuant to which it was issued, and cause such proceedings as may be approved by counsel to be instituted and prosecuted in a court of competent jurisdiction to enforce the payment of the principal of and interest on such debt-security and the performance of the covenants, terms or conditions therein and in such mortgage or other instrument contained and the foreclosure or other enforcement of such mortgage or other instrument, or otherwise.

SECTION 7. In case of the consolidation of the Railway Company with or the merger into it of, or the conveyance to it of all or substantially all of the property of, a corporation any of the securities of which shall at the time be pledged under the Mortgage, any stocks and debt-securities, whether or not secured, so pledged and then in the possession of the Trustee, shall be surrendered to the consolidated corporation or to the Railway Company as the case may be, but only if (a) by virtue of such consolidation or merger and the application of the provisions of Article IX, the lien of the Mortgage has extended to the property of such corporation securities of which are so surrendered, and (b) in the case of any debt-securities so surrendered which are secured by a lien on the property of such corporation, the lien of the Mortgage resulting from such consolidation or merger is substantially equivalent to such lien securing such debt-securities. The Railway Company covenants that it will not use any property of any corporation (other than a Qualified Subsidiary) which it shall acquire as aforesaid, and which shall constitute Additions as a basis for the issue of Bonds or the withdrawal of cash or the release of property under any provision of the Mortgage except to the extent, if any, by which the amount of such property so acquired shall exceed the fair value, as determined under the Uniform

(4) No such substitution shall be made if securities are held by the public of an issue junior to the securities to be retired and senior to the securities to be substituted therefor, nor if either the securities of any Qualified Subsidiary so to be retired or the securities to be substituted therefor are of an issue of securities any of which are held by the public.

(5) In each case the Trustee shall be furnished with the following:

(A) An Officers' Certificate stating in substance as follows: (a) the securities (briefly described) to be renewed, extended or retired and the terms of such renewal, extension or retirement; (b) the securities (briefly described), if any, to be issued in substitution; (c) that the renewal, extension or substitution will be to the benefit and advantage of the Railway Company and will not be detrimental to the interest or security of the holders of the Bonds; (d) whether the securities to be renewed or extended, or for which securities are to be substituted, are securities of a Qualified Subsidiary and if so, that neither the securities to be retired nor the securities substituted therefor are of an issue any of which are held by the public; and (e) that no Event of Default has occurred and is continuing.

(B) The securities, if any, so to be issued in substitution.

(C) An Opinion of Counsel stating that such renewal, extension or substitution is in accordance with the provisions of this Section 8 and that any securities so to be renewed or extended will, upon such renewal or extension, and any new securities to be issued, will upon the issue and delivery thereof to the Railway Company, be validly issued and outstanding, and what they purport to be, and validly owned by the Railway Company; that whatever consent, authorization or approval on the part of any governmental authority is requisite for such ownership and pledge has been obtained; that all shares of stock, if any, included in such securities, are full-paid and nonassessable; and that upon the deposit and pledge of

said securities hereunder, the Mortgage will constitute a valid, enforceable and direct lien thereon, free and clear of liens prior thereto.

Upon receipt of the instruments specified in clauses (A), (B) and (C), and a certified copy of a resolution of the Board of Directors requesting any such extension, renewal or substitution, the Trustee shall permit the same.

SECTION 9. Except as in the Mortgage otherwise provided or restricted the Railway Company shall have and may from time to time exercise all rights of ownership of all securities at the time deposited and pledged hereunder with the same force and effect as if the same were not so deposited and pledged, provided always that no action shall be taken which shall be inconsistent with the provisions of the Mortgage or prejudicial to the security or interests of the holders of the Bonds; and nothing in the Mortgage shall be deemed to limit the power and authority of each Qualified Subsidiary, otherwise possessed by it and unrestricted, in the ordinary course of the conduct of its business (without notice from the Railway Company to the Trustee or other action on the part of the Railway Company) to

(a) manage, operate and use its property and every part thereof with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof;

(b) abandon, terminate, cancel, release, amend or make changes or alterations in, or substitutions of, any leases, rights of way, agreements or other contracts, provided such action will not result in an impairment of the substantial integrity or efficiency of the system of such Qualified Subsidiary, or impair or prevent the continued and efficient operation of its properties;

(c) sell, exchange, or otherwise dispose of (1) any of its equipment, machinery, fixtures, apparatus, appliances, tools, implements and other movable or detachable property, which may have become worn out, unserviceable, undesirable or unneces-

pledged with the Trustee; or (b) sell, exchange or otherwise dispose of any of its property, real or personal, except for adequate consideration nor sell, exchange, or otherwise dispose of any of its property unless the applicable provisions of Section 15 of this Article VII shall be first complied with.

SECTION 12. The Railway Company covenants and agrees that on demand of the Trustee it forthwith will pay or will, satisfactorily to the Trustee, provide for, all expenditures incurred by the Trustee under any of the provisions of this Article VII, including all sums required to obtain and perfect the ownership and title to any property which the Trustee shall cause or authorize to be purchased pursuant to any provision of this Article VII; and the Trustee in its discretion, without impairment of or prejudice to any of its rights under the Mortgage by reason of any default of the Railway Company, may advance any or all such expenses and such other moneys as may be required, or may procure such advances to be made by others, and for such advances made by the Trustee or by others at its request, with interest thereon, at the rate of 4% per annum, the Trustee shall have a lien under the Mortgage upon the mortgaged property, in priority to the lien of the Bonds.

SECTION 13. In case an Event of Default shall have occurred and be continuing, the Railway Company may do any of the things enumerated in Sections 4, 5, 7, 8 and 14 of this Article VII upon compliance by it with the respective provisions of said Sections, if the Trustee, in the exercise of its discretion, shall in writing expressly authorize or assent to such action. The Trustee shall so authorize or assent upon request of the holders of a majority in principal amount of the Bonds at the time outstanding hereunder.

SECTION 14. The Railway Company may at any time, subject to the applicable provisions of Part B of Section 1 of Article VIII, sell the securities of any corporation which are pledged under the Mortgage, but only upon and subject to the following conditions:

other property appurtenant to or useful to the railroad lines owned and operated by such Qualified Subsidiary, and that such property to be received is free from all liens other than Permitted Encumbrances, as evidenced by an Opinion of Counsel; and

(3) stating that the property to be sold and exchanged is no longer necessary or advantageous in the business of such Qualified Subsidiary, and either (i) that the substantial integrity and efficiency of the lines of railroad of such Qualified Subsidiary will not be impaired by such sale or exchange or (ii) that the sale or exchange is made in compliance with the provisions of Part B of Section 1 of Article VIII.

B. An Opinion of Counsel (in case the certificate states that the consideration to the Qualified Subsidiary consists of property in whole or in part) that such Qualified Subsidiary has acquired good title to said property and that the same is free and clear of liens other than Permitted Encumbrances.

The instruments provided for in this Section 15 need not be filed with the Trustee with respect to any transaction if the amount or value of the consideration to be received for any property then to be sold or exchanged shall be $10,000 or less, or if such amount or value when added to the amount or value of all consideration theretofore received on account of other property sold or exchanged during the calendar year then current would not exceed Fifty Thousand Dollars ($50,000).

The Railway Company covenants and agrees that within 15 days after the sale or disposition of any property by a Qualified Subsidiary as to which the certificates provided by this Section 15 shall be required, the Railway Company will deposit with the Trustee an amount equal to the amount of any cash received by such Qualified Subsidiary for the property so sold. All moneys so received by the Trustee shall be held and disposed of as in the case of moneys deposited upon the release of mortgaged property as provided in Section 7 of Article VIII.

SECTION 16. So long as the First Mortgage shall remain a lien on the mortgaged property, the provisions of Sections 1 to 15 of Article VII of said First Mortgage shall govern in lieu of the provisions of Sections 1 to 15 of this Article VII. Compliance with any of said provisions of the First Mortgage may be evidenced by a certificate of the trustee of the First Mortgage filed with the Trustee, and shall constitute for all purposes compliance with the Mortgage. Any release or delivery made by the trustee of the First Mortgage pursuant to any of said provisions thereof shall be deemed to be and operate as a release under the Mortgage as well, and the Trustee shall so confirm in any case when requested to do so by the Railway Company, upon being furnished with a certified copy of such release.

efficient operation of the business of the Railway Company and, in either case, that such transaction will not substantially impair the ability of the Railway Company to handle the traffic of its transportation system subject to the lien of the Mortgage at or between the principal points served thereby.

Any principal point which is a terminal point served by any line of railroad of the Railway Company subject to the lien of the Mortgage, shall cease to be a principal point if, for a period of five (5) successive years after the date of execution and delivery of the Mortgage, traffic over the line, or a portion thereof serving such point designated as provided in the following sentence, has been such that the operation by the Railway Company of such line or such designated portion, as the case may be, has been without profit during the whole of such period. Upon filing with the Trustee of an Officers' Certificate designating any such principal point and the line serving such point, or a specified portion thereof, and showing facts with respect to traffic and operation of such line or such specified portion thereof, as the case may be, fulfilling to the satisfaction of the Trustee the requirements of this paragraph, together with a certified copy of a resolution of the Board of Directors expressing their judgment that the principal point described in said certificate is in fact no longer a principal point in the operation of such lines of railroad, then said principal point shall no longer be deemed or treated as a principal point on such line for any purpose of the Mortgage.

The provisions and limitations of this Part B shall govern any sale by the Railway Company, pursuant to the provisions of Article VII, of the securities of any Qualified Subsidiary owning a connecting line of railroad or bridge which forms a part of the transportation system of the Railway Company which is subject to the lien of the Mortgage to the same extent as though the property owned by such Qualified Subsidiary were owned by the Railway Company.

which the Railway Company may now or hereafter conduct its railroad operations; provided, in the case of any modification, that the same does not substantially impair the rights of the Railway Company in its railroad operations, shorten the term of any leasehold on which are located Additions which have been Bonded, or impair the security or interests of the holders of the Bonds, and in the case of any abandonment, that rights of operation, substantially equivalent as to scope and term, are otherwise owned or are concurrently to be acquired and subjected to the lien of the Mortgage.

PART B. To increase operating efficiency and effect economies by elimination of unnecessary trackage or unnecessary duplication of trackage within its own transportation system which is subject to the lien of the Mortgage, and by facilitating the coordination of operations of such transportation system with operations of the transportation systems of other railroads, the Railway Company while remaining in possession of the mortgaged property may, under the conditions and upon compliance with the provisions of Sections 2 and 3 of this Article VIII to the extent applicable:

I. Sell, exchange for other property, abandon, lease or otherwise dispose of, any part of its lines of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage, but only if, prior to such sale, exchange, abandonment, lease or other disposition,

(a) there shall be filed with the Trustee a certified copy of a resolution of the Board of Directors determining and expressing the latter's judgment that such sale, exchange, abandonment, lease or other disposition

(i) is advantageous to the economic and efficient over-all operation of the Railway Company's transportation system subject to the lien of the Mortgage, and

constituting roadway which is no longer useful to the Railway Company and has been retired from use up to an aggregate fair value of not more than $100,000 in any calendar year; provided that if the Railway Company shall receive as proceeds any cash or other consideration (other than property, which may but need not have a similar substitutional use, and which shall have become subject to the lien of the Mortgage) in connection with any such sale or disposition, it shall deposit such proceeds either

(1) in and as a part of the Capital Fund, to the extent that the expenditures from the Capital Fund for property constituting Additions subject to the lien of the Mortgage during the previous calendar year (including all funds treated by the trustee of the Debtor appointed in the reorganization proceedings above referred to as though they were paid in or expended from the Capital Fund as shown in the report referred to in clause (b) of Part C of Section 1 of Article V), are in excess of all such proceeds deposited in the Capital Fund during the current year; or

(2) with the Trustee;

unless deposited with another trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII.

(c) Sell or otherwise dispose of free from the lien of the Mortgage in the ordinary conduct of its business, any of the other property of the Railway Company which is subject to the lien of the Mortgage, other than pledged securities and lines of railroad (including any leasehold, easement, trackage right or other interest therein) and real estate, if the property so sold or disposed of at any one time does not exceed in value, in the opinion of the Chief Engineer of the Railway Company or his Assistant, $25,000, and if the value of all properties then being, and theretofore during the current calendar year, so sold or otherwise disposed of, does not exceed one per cent (1%) of the aggregate principal amount of the Bonds at the time outstanding, provided that if the Railway Company shall have received any cash or other consideration

total amount of expenditures from the Capital Fund for the acquisition of property constituting Additions which has become subject to the lien of the Mortgage during the calendar year preceding the year covered by such report.

Such report shall be accompanied by an opinion of the Chief Engineer of the Railway Company or his Assistant stating the fair value of all land constituting roadway retired from use which is included in the amount of property shown in the report to have been disposed of under clause (b) of this Section 2, the fair value of any property not subject to the lien of the Mortgage shown in the report to have been received by the Railway Company as consideration or part consideration for sales, exchanges or dispositions of property under said clause (b), the aggregate value of all property shown in said report as having been sold or disposed of under clause (c) of this Section 2, and a statement as to whether in any case the value of property so sold or disposed of at any one time exceeded $25,000. There shall also be furnished to the Trustee in connection with such report an Opinion of Counsel that any property stated by such report to have been subjected to the lien of the Mortgage has been so subjected.

In order to evidence the termination of the lien of the Mortgage on any property sold, exchanged or otherwise disposed of in accordance with this Section 2, the Trustee shall execute and deliver confirmatory releases or certificates that such property is free from the lien of the Mortgage from time to time at the request of the Railway Company upon receiving an Officers' Certificate describing in reasonable detail the property to be released, stating that it is not used or useful for railroad purposes, and stating that it has been sold, exchanged or otherwise disposed of under the provisions of this Section 2 and in full compliance with the terms and conditions prescribed herein.

SECTION 3. PART A. From time to time unless and until an Event of Default shall have occurred and be continuing, the Railway Company may sell or dispose of, and in connection therewith obtain the release of, any part of the property subject to the

abandoned, leased or otherwise disposed of, and that any such lease or trackage agreement, as evidenced by an Opinion of Counsel filed with the Trustee, will extend at least beyond the date of maturity of all of the Bonds and First Mortgage Bonds then outstanding and will not be subject to termination prior to its expiration date on account of any lien on the property covered thereby; and

(c) the Railway Company shall also pledge or otherwise subject to the lien of the Mortgage, in such manner as shall be deemed sufficient in an Opinion of Counsel furnished to the Trustee, any and all rights of joint ownership, leases, and trackage agreements acquired and to be acquired by the Railway Company as set forth in such Officers' Certificate pursuant to the preceding clause (b)(iii).

Any lease made pursuant to this subdivision I shall be limited to a part only of the lines of railroad subject to the lien of the Mortgage, which part shall be substantially less than all thereof; and each such lease shall be made expressly subject to immediate termination by the Trustee at any time upon the occurrence of an Event of Default and at any time during the continuance thereof, and also by the purchaser of the property so leased upon any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

Notwithstanding the foregoing provisions of this Part B, any line or portion of a line of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage may be released, sold, exchanged, abandoned, leased or otherwise disposed of upon compliance solely with the provisions of clause (a) of this subdivision I, if such release, sale, exchange, abandonment, lease or other disposition is with the approval or direction of the holders of a majority of all the Bonds outstanding, such approval

ARTICLE VIII

Possession, Use and Release of Property

Section 1. While the Railway Company shall remain in possession of the mortgaged property, it shall be entitled to manage, operate, use and enjoy and be suffered and permitted to remain in the actual and undisturbed possession of all and singular the mortgaged property (except any cash or securities deposited or pledged or required to be deposited or pledged under the terms of the Mortgage) and to receive, take and use the rents, incomes and profits thereof. It is recognized that the use of such property in the conduct of the business of the Railway Company is subject to varying conditions and the requirements of various governmental bodies, regulatory and otherwise. The subsequent provisions of this Section 1 are for the purpose of permitting the advantageous use of the property subject to the Mortgage in the operation and management of the business so as most judiciously to maintain the value of such property of the Railway Company and the value of the security for the Bonds.

Part A. While remaining in possession of the mortgaged property, the Railway Company shall be entitled in the usual and ordinary conduct of its business,

(a) to alter, repair, dismantle when no longer useful, replace, change and add to its buildings, roadways, trackage, equipment, materials, supplies and any other physical property;

(b) to make any change in the location of its lines, tracks, station houses, buildings or other structures situated upon any part of the property subject to the Mortgage, to other premises, if said lines, tracks, station houses, buildings, structures and the premises whereon they shall be relocated shall be or concurrently become subject to the lien of the Mortgage; and

(c) to assent to a modification of rights under, or to abandon, any leasehold, trackage right agreement, easement, franchise, license, authority or permit of any governmental body under

(ii) will not substantially impair the ability of the Railway Company to handle the traffic of such transportation system, and

(iii) that the property so to be sold, exchanged, abandoned, leased or otherwise disposed of is no longer necessary or expedient in the operation of such transportation system; and

(b) as to any part of such lines of railroad (including any leasehold, easement, trackage right or other interest therein) desired to be sold, exchanged, abandoned, leased or otherwise disposed of, there shall also be filed with the Trustee an Officers' Certificate setting forth information showing that

(i) such part of said lines of railroad is a branch or spur line, or is otherwise so separable from any main line serving principal points, that such sale, exchange, abandonment, lease or other disposition will not break the continuity of the latter between the principal points served thereby, or

(ii) after said sale, exchange, abandonment, lease or other disposition there will remain at least one other route subject to the lien of the Mortgage between any principal points served by the part of such line to be sold, exchanged, abandoned, leased or otherwise disposed of, over which the traffic of the Railway Company's transportation system between such principal points may be handled with substantially equal facility, or

(iii) the Railway Company has acquired, or upon such sale, exchange, abandonment, lease or other disposition will acquire, rights over lines of another railroad company through joint ownership, lease or trackage agreement whereby facilities will be available for the general continuity of operation of such transportation system which are substantially equivalent to the facilities therefor of the lines of railroad to be sold, exchanged,

or direction being made and evidenced pursuant to the provisions of Article XI, and filed with the Trustee.

II. Sell, exchange or otherwise dispose of an undivided interest in any part of any line of railroad, or in any bridge or terminal, which is subject to the lien of the Mortgage, or grant an easement over, or enter into a trackage agreement providing for the use by another railroad of, any such line of railroad, or bridge or terminal, with or without use of appurtenant shop or other operating and service facilities; and any such easement or trackage right may, but need not, extend for a longer period than the latest maturity of any Bonds then outstanding, and may, but need not, be subject to termination upon the occurrence or during the continuance of any Event of Default, or by the purchaser of any property to which the same relates upon any sale thereof by virtue of the power of sale hereby conferred or under judicial proceedings; but in the case of each such sale, exchange or other disposition, of an undivided interest or in case any such easement or trackage right shall extend for a longer period, as aforesaid, or is not subject to termination, as aforesaid, then

(i) there shall be furnished to the Trustee an Opinion of Counsel that there has been adequately preserved to the Railway Company the prior right to the use of any such line of railroad, bridge, or terminal in which an undivided interest has been disposed of or as to which an easement or trackage right has been so granted, and to appurtenant facilities, if any, as to which a right of use has been so granted, and

(ii) the Board of Directors shall by resolution, a certified copy of which shall be filed with the Trustee, determine and express its judgment, in the case of any such sale, exchange or other disposition, that the same is advantageous to the economical and efficient operation of the business of the Railway Company, or in the case of any such easement or trackage right agreement, that the terms thereof are reasonable and advantageous to the economical and

Part C. In case any line of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage is desired to be abandoned, prior to any such abandonment there shall be filed with the Trustee, in addition to all other requirements of this Section 1, an Opinion of Counsel stating that any requisite approval of the Interstate Commerce Commission or other governmental authority having jurisdiction in the premises has been obtained for such abandonment and said Opinion of Counsel shall be accompanied by a certified copy of the order, if any, expressed to be so required.

Section 2. Except as hereinafter specifically provided in this Section 2, no release from, action by, or notice to the Trustee, or other action or proceedings on the part of the Railway Company hereunder, shall be required if the Railway Company while remaining in possession of the mortgaged property shall:

(a) In the ordinary conduct of its business, sell as units, dismantle and sell as scrap or otherwise exchange or dispose of, free from the lien of the Mortgage, any office-equipment, machinery, tools, improvements, furniture, vehicles, materials and supplies and other chattels (except equipment) which may have become obsolete, worn out, unserviceable or otherwise undesirable for use or desirable to be replaced in the conduct of its business; provided, that the Railway Company shall replace the property so disposed of with other such property which shall become subject to the lien of the Mortgage and be of a value to the Railway Company at least equal to the value of the property so disposed of.

(b) In the ordinary conduct of its business, sell, dismantle and sell as scrap or otherwise exchange or dispose of, free from the lien of the Mortgage, any equipment which is no longer useful and any buildings, bridges and roadways, structures, industrial tracks, side tracks, branch lines, or yard tracks which it has been desirable to take up or remove in the conduct of its business, and which in each case have been retired from use and not replaced; and land

(other than property which shall have become subject to the lien of the Mortgage) on any such sale or other disposition, it shall deposit with the Trustee, or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, an amount in cash equal to the cash so received and the fair value to the Railway Company, in the opinion of its Chief Engineer or his Assistant, of such other consideration.

(d) Make any lease of, or grant any easement over, or license or other right with respect to any property subject to the lien of the Mortgage, in any case not governed by the provisions of Part B of Section 1 of this Article VIII, provided that the same is expressly subject to immediate termination by the Trustee at any time upon the occurrence of an Event of Default and at any time during the continuance thereof, and also by the purchaser of the property in question upon any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

On or before March 31, 1945, and on or before March 31 of each succeeding year, the Railway Company shall file with the Trustee a report for the preceding calendar year signed as in the case of an Officers' Certificate and setting forth:

(1) The property sold, exchanged or otherwise disposed of during the preceding calendar year under clauses (b) and (c) of this Section 2, described in reasonable detail, and the cash or other consideration received by the Railway Company in connection with any such sale, exchange, or other disposition (showing separately, in the case of such other consideration, that which shall have become, and that which shall not have become, subject to the lien of the Mortgage) and the total amount deposited with any trustee or mortgagee as permitted by the provisions of Section 4 of this Article VIII.

(2) The total amount of cash which shall have been deposited in the Capital Fund under the provisions of clause (b) of this Section 2, during the calendar year covered by the report, and the

Mortgage, other than cash or purchase money obligations held by the Trustee, or securities deposited and pledged under the Mortgage with the Trustee, provided that such sale or disposition is not in violation of Part B of Section 1 of this Article VIII and that the applicable provisions of said Part B, if any, are complied with; and the Trustee shall release from the lien of the Mortgage any such property if the fair value (as determined in accordance with the provisions of clause (f) of Part B of this Section 3) of the part of the property to be released shall not exceed the aggregate of:

(a) The cash then being deposited with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII;

(b) The principal amount of any purchase money obligations then being pledged with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, which shall have been received by the Railway Company as consideration or part consideration for the disposition of the part of the property to be released and which shall be secured by a purchase money mortgage thereon; provided that

(i) such purchase money obligations shall mature within 2 years of the date thereof and shall be included only to the extent that the principal amount thereof does not in the aggregate exceed 60% of the fair value, determined as aforesaid, of the property to be released; and

(ii) the aggregate principal amount of such purchase money obligations and all other purchase money obligations pledged with the Trustee pursuant to the provisions of this Section 3, and then held subject to the lien of the Mortgage (or pledged with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII and then held by such trustee or mortgagee) shall not exceed 10% of the aggregate principal amount of all Bonds outstanding under

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the Mortgage at the date of the application for release filed with the Trustee pursuant to the provisions of clause (b) of Part B of this Section 3; and

(c) The amount (as determined in accordance with the provisions of clause (b) (iv) of Part B of this Section 3) of any property included in Additions (other than equipment and improvements and betterments of equipment) then certified to the Trustee in the application for release filed with the Trustee, pursuant to the provisions of clause (b) of Part B of this Section 3, which has been or is to be concurrently acquired by the Railway Company as consideration or part consideration for the disposition of the part of the property to be released and which shall not at the time of acquisition be subject to any lien, other than Permitted Encumbrances, prior to the lien of the Mortgage.

PART B. Prior to the release of any part of the property under this Section 3 from the lien of the Mortgage there shall in each case have been delivered to the Trustee:

(a) A certified copy of a resolution of the Board of Directors authorizing or approving the request for such release and stating that in the judgment of said Board such release is desirable in the conduct of the business of the Railway Company.

(b) An application for release consisting of an Officers' Certificate and containing

(i) a description in reasonable detail of the property, a release of which is requested, and the fair value thereof (as determined in accordance with the provisions of clause (f) of this Part B);

(ii) a statement of the amount of cash, if any, being deposited pursuant to clause (a) of Part A of this Section 3;

(iii) a description in reasonable detail of any purchase money obligations, if any, being pledged pursuant to clause (b) of Part A of this Section 3, a statement that such purchase money obligations have been received as consideration or part consideration for the disposition of the property to be released, a statement that such purchase money obligations do not exceed the limitations of

such purchase money obligations have been pledged with it, together, in either event, with any and all assignments thereof, supplemental indentures or other instruments which, as set forth in the Opinion of Counsel, furnished pursuant to clause (g) of this Part B, may be necessary or advisable to assign to the Trustee subject to such lien, or otherwise to subject to the lien of the Mortgage, such purchase money obligations.

(e) All such deeds, indentures supplemental hereto, or instruments of further assurance, which, as set forth in the Opinion of Counsel furnished pursuant to clause (g) of this Part B, may be necessary or advisable to subject to the lien of the First Mortgage (so long as it still remains a lien on the mortgaged property) and to the lien of the Mortgage any property constituting Additions included in the application for release filed with the Trustee pursuant to clause (b) of this Part B, or in the case of Additions located on leaseholds, to subject the leaseholds to such liens.

(f) A certificate or opinion of the Chief Engineer of the Railway Company, or his Assistant, stating the fair value of the property, a release of which is requested (which fair value shall be determined after deducting an amount equal to the principal amount of any outstanding Prior Lien Bonds secured by a Prior Lien solely on any or all of the property to be released).

(g) An Opinion of Counsel to the effect

(i) that any purchase money obligations then being pledged with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, have been validly issued, that such purchase money obligations have been duly assigned to the Trustee subject to such lien, or otherwise subjected to the lien of the Mortgage, or will be so assigned or subjected upon delivery to the Trustee pursuant to clause (d) of this Part B of assignments, supplemental indentures or other instruments duly described; that any such purchase money obligations are secured by a valid lien upon the property released subject to no liens prior or equal to the lien thereof, except any liens which were Permitted Encum-

tain a release therefrom of such part of the property subject to the Mortgage, the Railway Company shall not be required to deposit or pledge with the Trustee such cash or purchase money obligations if the Railway Company shall deposit such cash and pledge such purchase money obligations with such trustee or mortgagee of such lien.

SECTION 5. Should any part of the property subject to the lien of the Mortgage be taken by the exercise of the power of eminent domain or should any governmental body at any time exercise any right which it may have to require the sale to it or to a purchaser designated by it of any part of the property subject to the lien of the Mortgage, the Trustee, upon request of the Railway Company, shall release the property so taken or sold upon the Trustee's being furnished with an Opinion of Counsel to the effect that such part of the property subject to the lien of the Mortgage has been lawfully taken or sold as aforesaid. The aforesaid Opinion of Counsel shall state the amount of proceeds received or to be received for the property so taken or sold (which proceeds in any event shall be required to be cash or obligations of a governmental body or agency). Subject to the provisions of Section 4 of this Article VIII, the proceeds of all property so taken or sold shall be deposited with the Trustee.

SECTION 6. In order to confirm, secure or clear (of record or otherwise) the prior right, charge, lien or title with respect to equipment securing any Equipment Trust Obligation hereafter created under reservation of right set forth in connection with the granting clauses of the Mortgage, the Trustee shall, upon compliance with the subsequent provisions of this Section 6, either confirm as to such equipment the subordination of the lien of the Mortgage to such prior right, charge, lien or title, or release such equipment from the lien of the Mortgage. Prior to any such confirmation of subordination or release there shall be delivered to the Trustee a certified copy of a resolution of the Board of Directors requesting such action by the Trustee and an Officers' Certi-

of any property constituting Additions (except property theretofore made the basis for the authentication of Bonds or First Mortgage Bonds or the withdrawal of cash or the release of property under any provision of the Mortgage or the First Mortgage or paid for from the Capital Fund or consisting of equipment or improvements or betterments of equipment) acquired by the Railway Company after the date of the deposit of the moneys desired to be withdrawn, but only upon delivery to the Trustee of an application consisting of an Officers' Certificate dated not more than 30 days prior to the delivery thereof and containing a description in reasonable detail of the property constituting such Additions, a statement of the amount thereof as determined by the accounts of the Railway Company, and a statement that the amount of such property would properly be included in a computation of Bondable Additions, that none of the property constituting such Additions has theretofore been made the basis for the authentication of Bonds or First Mortgage Bonds or the withdrawal of cash or the release of property under any provision of the Mortgage or the First Mortgage, or has been paid for from the Capital Fund or consists of equipment or improvements or betterments of equipment, and that no Event of Default has occurred and is continuing. There shall be delivered to the Trustee, accompanying said application, deeds and instruments of transfer and an Opinion of Counsel of the character required in clauses (e) and (g) (ii) of Part B of Section 3 of this Article VIII.

(b) May be withdrawn by the Railway Company upon its written order, signed by its President or a Vice President, accompanied by a certified copy of a resolution of the Board of Directors authorizing such order, in an amount equal to 133⅓% of the principal amount of Bonds (including any fractional amounts) to the authentication and delivery of which the Railway Company shall be entitled on account of the acquisition of Additions under the provisions of Section 4 of Article III. On any such application the Railway Company shall comply with all applicable provisions of Section 4 of Article III relating to the authentication and deliv-

the Railway Company with respect to such retirement under the provisions of Section 6 of Article IV. Any order of the Railway Company for the application of funds pursuant to this clause (d) shall be accompanied by an Officers' Certificate stating that no Event of Default has occurred and is continuing.

For the purposes of Section 6 of Article IV, moneys applicable to the retirement of Bonds pursuant to clause (d) (ii) of this Section 7 shall be deemed to have been deposited with the Trustee as a part of the Debt Retirement Sinking Fund as of the date when the written order referred to in said clause (d) (ii) shall have been delivered to the Trustee.

If and when the Railway Company shall so request by resolution of the Board of Directors, a certified copy of which shall have been filed with the Trustee, provided no Event of Default shall have occurred and then be continuing, any moneys at the time held under this Article VIII by the Trustee shall be invested by it in such direct obligations of the United States maturing within two years as shall be specified in such resolution. Such obligations shall be held by the Trustee in lieu of the moneys invested therein subject to its absolute right to liquidate such investment in such manner and at such time or times as, in the exercise of its discretion, it deems to be advisable. The Railway Company covenants that upon demand by the Trustee it will replace all moneys lost through any investment made and liquidated as by this Section 7 contemplated, and will pay or reimburse the Trustee for all accrued interest, commissions and expense paid or incurred in connection with the acquisition and liquidation of such investment. The Trustee shall have the right and duty to receive all amounts paid on account of any investment made by it as hereby contemplated, including all interest payments, shall retain such interest payments pending liquidation of such investment, after such liquidation shall retain so much of such interest payments as may be necessary to replace any loss of moneys suffered, or to pay or reimburse for any accrued interest, commissions or expense paid or incurred, in connection with the acquisition and liquidation of such investment and not

ARTICLE IX

CONSOLIDATION, MERGER, CONVEYANCE AND LEASE

SECTION 1. Nothing in the Mortgage or in any Bond shall prevent the consolidation or merger of the Railway Company with or into any other corporation lawfully entitled to acquire and operate the mortgaged property (whether or not a subsidiary, Qualified Subsidiary or otherwise affiliated with the Railway Company) or successive consolidations or mergers to which the Railway Company or any successor corporation shall be a party, or shall prevent any conveyance or lease, subject to the continuing lien of the Mortgage, of all, or substantially all, of the mortgaged property to any such other corporation; provided, however, that:

(1) Every such consolidation, merger, conveyance or lease shall be on such terms as shall fully preserve the lien and security of the Mortgage and the rights and powers of the Trustee and of the holders of the Bonds hereunder.

(2) Any such lease shall be made expressly subject to immediate termination by the Trustee at any time upon the occurrence of an Event of Default and at any time during the continuance thereof, and also by the purchaser of the property so leased upon any sale thereof whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

(3) Upon any such consolidation or merger, or upon conveyance or lease of all, or substantially all, of the mortgaged property, the successor corporation or the lessee corporation, as the case may be, shall expressly assume the due and punctual payment of the principal of and interest on all of the Bonds according to their tenor and purport, and the due and punctual performance of all of the terms, covenants and conditions of the Mortgage required to be kept, preserved and performed by the Railway Company.

(4) In the event of any such consolidation or merger, or of any conveyance of all, or substantially all, of the mortgaged property, the successor corporation shall, subject to

clause (b)(i) of Part A of this Section 3, and a computation showing that the principal amount of all such purchase money obligations does not exceed the limitations of clause (b)(ii) of said Part A;

(iv) a description in reasonable detail of any property constituting Additions (other than equipment and improvements and betterments of equipment) which has been or is to be concurrently acquired as consideration or part consideration for the property to be released, and the amount thereof as determined in accordance with the Uniform System of Accounts, which description shall comply with the requirements of the last paragraph of clause (b) of Section 4 of Article III to the extent that the terms thereof may be applicable;

(v) a statement that no Event of Default has occurred and is continuing; and

(vi) a statement as to whether or not the property the release of which is applied for constitutes any part of the lines of railroad or any bridge or terminal subject to the lien of the Mortgage or leasehold, easement, trackage right or other interest therein; and if so, the applicable requirements of Part B of Section 1 of this Article VIII shall be complied with.

(c) Any cash then being deposited with the Trustee pursuant to clause (a) of Part A of this Section 3, or if any cash is being deposited with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, in connection with the release of the property to be released, a certificate of such trustee or mortgagee, as the case may be, stating that such cash has been deposited with it.

(d) Any purchase money obligations then being pledged with the Trustee pursuant to clause (b) of Part A of this Section 3, or if any purchase money obligations are then being pledged with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, in connection with the release of the property to be released, a certificate of such trustee or mortgagee, as the case may be, stating that

brances on the property released, and except any lien prior to the lien of the Mortgage to which the property released was subject; and

(ii) that the property constituting Additions specified in the application for release filed with the Trustee pursuant to the provisions of clause (b) (iv) of Part B of this Section 3, except such Additions as are located on leaseholds, is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and of the Mortgage or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, subject to no defect in title and subject to no lien thereon prior or equal to the lien of the Mortgage except Permitted Encumbrances, if any, and if any such property is located on any leasehold, as shown by the application, stating that such leasehold is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and of the Mortgage, or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, and extends for a period of time beyond the latest maturity date of any Bonds or First Mortgage Bonds outstanding, or that, under the terms of such leasehold, the Railway Company has the right to be reimbursed in respect of any expenditure for such Additions or, if such property be removable property, the right to remove the same, upon the termination thereof; provided that such Opinion of Counsel may, subject to the provisions of Section 2 of Article XVIII, be based upon certificates or opinions of officers or engineers of the Railway Company as to any matters of fact not of public record.

SECTION 4. If under the provisions of the First Mortgage, or of any other lien prior to the lien of the Mortgage on any part of property to be released from the Mortgage, there is required to be made with or to the trustee or mortgagee under such lien, a deposit of cash or pledge of purchase money obligations in order to ob-

ficate, dated as of the date of delivery thereof, which shall describe the equipment as to which a confirmation of subordination or a release is requested, shall describe the Equipment Trust Obligations to be secured by a prior right, charge, lien or title thereon, shall state that such equipment was acquired or constructed for the use of the Railway Company within three years of the date of such certificate, and shall state that none of said equipment has theretofore been made the basis for the authentication and delivery of Bonds or First Mortgage Bonds, or for the withdrawal of cash under any provision of the Mortgage or the First Mortgage. There shall also be furnished to the Trustee an Opinion of Counsel with which shall be furnished the instrument or instruments to be executed and delivered by the Trustee in order to effect the requested confirmation of subordination or release. Such Opinion of Counsel shall approve the form of the instrument or instruments furnished therewith and shall express the opinion that upon execution and delivery by the Trustee of such confirmation of subordination or release, the lien of the Mortgage will attach to all right, title or interest of the Railway Company then or thereafter existing with respect to the equipment described in the certificate, subject only to the prior right, charge, lien or title of the Equipment Trust Obligations therein described, and to Permitted Encumbrances; but such expression of opinion may be predicated upon the execution and delivery of other instruments in addition to those specified above, or the taking of other action, in which case the Railway Company shall cause such other instruments to be executed and delivered, or such other action to be taken.

SECTION 7. Unless an Event of Default shall have occurred and be continuing, all moneys held by the Trustee under this Article VIII, at the option of the Railway Company:

(a) May be withdrawn by the Railway Company upon its written order, signed by its President or a Vice President, accompanied by a certified copy of a resolution of the Board of Directors authorizing such order, in an amount equal to the amount

ery of Bonds, except that it shall not be required to comply with any of the provisions of Section 6 of said Article III other than clauses (d) (iv) and (e) thereof. Any withdrawal of cash under this clause (b) shall be in lieu of the right of the Railway Company to the authentication and delivery of Bonds on account of such Additions.

(c) May be withdrawn by the Railway Company upon its written order, signed by its President or a Vice President, accompanied by a certified copy of a resolution of the Board of Directors authorizing such order, in an amount equal to the principal amount of Bonds (including any fractional amounts) to the authentication and delivery of which the Railway Company shall be entitled on account of the cancellation or surrender for cancellation or pledge with the Trustee of Refundable Obligations under the provisions of Section 2 of Article III. On any such application the Railway Company shall comply with all applicable provisions of Section 2 of Article III relating to the authentication and delivery of Bonds, except that it shall not be required to comply with any of the provisions of Section 6 of said Article III other than clauses (d) (iv) and (e) thereof. Any withdrawal of cash under this clause (c) shall be in lieu of the right of the Railway Company to the authentication and delivery of Bonds on account of such Refundable Obligations.

(d) May be applied (i) to the payment at maturity of Bonds then outstanding of any series determined by resolution of the Board of Directors, or (ii) to the retirement of Bonds by the Trustee, in each case upon the written order of the Railway Company, signed by its President or a Vice President, accompanied by a certified copy of a resolution of the Board of Directors authorizing such order, and in the latter case through the Debt Retirement Sinking Fund in accordance with the provisions of Section 6 of Article IV, but in such latter case the Railway Company shall be obligated to pay to, or reimburse the Trustee for, any premium paid in connection with such retirement, whether by purchase or redemption, in addition to any and all other amounts payable by

replaced, paid or reimbursed by the Railway Company as above provided, and shall pay over any balance of such interest payments to the Railway Company.

SECTION 8. In case the property subject to the lien of the Mortgage or any part thereof shall be in the possession of a receiver, trustee or other court officer lawfully appointed, the powers in and by this Article VIII conferred upon the Railway Company may, notwithstanding the occurrence and continuance of an Event of Default, be exercised by such receiver, trustee or other court officer under the order or orders of the court appointing such receiver, trustee or court officer. If the Trustee shall be in possession of the property subject to the lien of the Mortgage or any part thereof under any provision of the Mortgage, then all the powers in this Article VIII conferred upon the Railway Company may, notwithstanding the occurrence and continuance of an Event of Default, be exercised by the Trustee.

SECTION 9. The Trustee shall not be required under any of the provisions of this Article VIII to release any part of the property subject to the lien of the Mortgage from the lien hereof or to pay over any moneys held by it at any time when an Event of Default shall have occurred and be continuing; but, notwithstanding any such Event of Default, the Trustee may do so and the Railway Company may exercise any of the powers conferred upon it in and by this Article VIII upon compliance with the conditions specified in this Article VIII with respect thereto, and the Trustee shall give its consent thereto in writing, if the Trustee in its discretion shall deem that such release or payment or such exercise of powers by the Railway Company will not adversely affect the interests of the holders of the Bonds, or if the holders of a majority in principal amount of the Bonds shall request the Trustee so to consent.

SECTION 10. In no event shall any purchaser or purchasers of any part of the mortgaged property sold or disposed of under any provisions of this Article VIII be required to ascertain the authority of the Trustee to execute any release, to see to the application of the purchase money or to inquire as to any facts required by the provisions hereof for the exercise of such authority.

the exceptions provided in Section 2 of this Article IX, expressly grant and convey, as further security for all Bonds issued and to be issued hereunder, and shall subject to the lien of the Mortgage, all of its property and franchises then owned and which it may thereafter acquire, of the character and kind which, under the terms of the Mortgage, are required to be subjected to the lien thereof, all as fully as though such consolidation, merger or sale had not taken place and such property and franchises had been acquired by the Railway Company.

Compliance with the foregoing requirements of this Section 1 shall be evidenced by a supplemental indenture.

For the purposes of this Article IX, the term "conveyance" shall mean any sale, conveyance or transfer, the term "successor corporation" shall mean any corporation resulting from any such consolidation or merger or any corporation to which such conveyance shall be made, and the term "lessee corporation" shall mean any corporation to which any such lease shall be made.

The conditions contained in this Section 1 shall not be construed as requiring that in the event of any such consolidation, merger, conveyance or lease, a separate income account shall thereafter be maintained in respect of the operation of the properties subject to the lien of the Mortgage, but provisions may be made which shall be equitable and practical with respect to the portion or portions of the revenues and expenses of any such successor or lessee corporation, to establish a basis for the determination and application of Available Net Income as required under Article V or for the purpose of determining and applying funds to the payment of interest on any income bonds of the Railway Company or for the purpose of determining the amount of payments required to be made into the Capital Fund or for any other purpose fulfilling the provisions and conditions of the Mortgage; provided that any such provisions shall be approved by the Interstate Commerce Commission, or other federal governmental authority having jurisdiction of the consolidation, merger, con-

veyance or sale, and, unless such Commission or such other authority shall find that no material alteration of the rights of bondholders is thereby effected and shall so determine, they shall also be consented to or approved by the holders of a majority in principal amount of the Bonds outstanding, in the manner provided in Article XI.

SECTION 2. In the event that under the provisions of Section 1 of this Article IX there shall be a consolidation or merger of the Railway Company with or into, or a conveyance by the Railway Company of all or substantially all of the mortgaged property to, a successor corporation which shall not have been, immediately preceding such consolidation, merger or conveyance, a Qualified Subsidiary and which shall be a Class 1 Carrier as defined by the rules of the Interstate Commerce Commission in force on the date of the Mortgage, such successor corporation may, but need not, make an express grant of its property and franchises as required by paragraph (4) of Section 1 of this Article IX, and in the absence of such express grant by any such successor corporation, the Mortgage shall not by reason of such consolidation, merger or conveyance constitute and become a lien upon, and the term "mortgaged property" as herein used shall not include or comprise:

(1) Any property or franchise which, prior to such consolidation, merger or conveyance, was owned by any corporation with or into which the Railway Company or any successor corporation may be consolidated or merged or to which the Railway Company or any successor corporation may make any such conveyance, or any property or franchises which theretofore may have been acquired by the Railway Company or any successor corporation and which prior to such consolidation, merger or conveyance were not subject to the lien of the Mortgage; or

(2) Any property or franchise which may be purchased, constructed or otherwise acquired by any successor corporation after the date of any such consolidation, merger or conveyance, excepting only the property rights and fran-

sisting of present or future interests, thereafter constructed or acquired by such successor corporation which is appurtenant to any property subject to the lien of the Mortgage;

(b) A covenant on the part of such successor corporation that all property and franchises thereafter acquired by it and necessary to the full and complete performance of any covenant herein contained (including covenants relating to the deposit of securities, to the maintenance and upkeep of the mortgaged property, to the supply to the lines of railroad included therein of adequate and efficient equipment, to the making of all needful and proper repairs, renewals, replacements, substitutions and alterations, and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof) shall be conclusively deemed and taken to be acquired by it in performance of such covenant and to have become subject to the lien of the Mortgage;

(c) A covenant by such successor corporation to keep the mortgaged property, so far as practicable, readily identifiable; and a stipulation that the Trustee shall not be taken impliedly to waive, by accepting or joining in such supplemental indenture, any rights it would otherwise have.

SECTION 3. Nothing contained in the Mortgage or in any Bond shall prevent the Railway Company from merging into itself or acquiring by conveyance all or any part of the property of any other corporation (whether or not a subsidiary, Qualified Subsidiary, or otherwise affiliated with the Railway Company); provided that in case the Railway Company shall acquire by any such merger or conveyance all or substantially all of the properties of a Class 1 Carrier (as defined by the rules of the Interstate Commerce Commission in force on the date of the Mortgage) which was neither a subsidiary nor a Qualified Subsidiary of the Railway

delivered to the Trustee; and the Trustee, upon the order of such successor corporation, and subject to all the terms, conditions and limitations prescribed in the Mortgage shall authenticate any and all Bonds which previously shall have been signed by the party of the first part and delivered to the Trustee for authentication, and any Bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trustee for such purpose, and deliver the same to such successor corporation or upon its order.

SECTION 5. All Bonds issued by any successor corporation shall in all respects have the same legal rank and security as the Bonds theretofore issued in accordance with the terms of the Mortgage by the Railway Company. In case of any such consolidation, merger or conveyance such changes in phraseology and form (but not in substance) may be made in the Bonds and coupons thereafter to be issued as may be appropriate to reflect any such consolidation, merger or conveyance.

SECTION 6. For every purpose of the Mortgage, including the execution, issue and use of any and all Bonds issued or issuable hereunder, the term "Railway Company" includes and means not only the party of the first part, but also any successor corporation which shall have complied with the provisions of this Article IX. Any act or proceeding by any provision of the Mortgage authorized, required or permitted to be done or performed by the stockholders or by any board or officer of the Railway Company shall and may be done and performed, with like force and effect, by the stockholders or by the like board or officer of any such successor corporation, subject, however, to the provisions of Section 4 of this Article IX.

SECTION 7. The Railway Company covenants and agrees that no consolidation or merger and no conveyance or lease of the mortgaged property as a whole or substantially as a whole, to which the Railway Company or any successor corporation shall be a party, shall be made or effected unless the terms, covenants and conditions contained in this Article IX shall have been complied with and observed by the Railway Company or such successor corporation as the case may be.

to pay any tax payable with respect to any transfer involved in the issue and delivery of certificates in a name or names other than that of the registered holder of the Bond upon the surrender of which such certificates shall have been issued, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Railway Company the amount of any tax payable upon any such transfer, or has established to the satisfaction of the Railway Company that such tax has been paid.

Irrespective of the date of issue and delivery of the certificates for any shares of stock issuable upon the conversion of any Bond as aforesaid, each person in whose name any such certificate is to be issued shall be deemed to become a holder of record of the stock represented thereby on the date when such Bond shall have been surrendered for such conversion. No dividend shall be payable on account of stock deliverable upon conversion of any Bond of Series A pursuant to this Article X except such dividend as may be or become payable to holders of record of such stock on or after the date such Bond shall have been surrendered for conversion.

SECTION 3. In lieu of the issuance of fractions of shares resulting from any conversion pursuant to this Article X, and the issuance and delivery of stock certificates with respect thereto, the Railway Company may deliver scrip certificates for such fractions, exchangeable in lots aggregating one or more full shares for stock certificates for the number of full shares represented thereby, and the provisions of such scrip certificates may, among other things, authorize the sale of the fractions represented thereby for the account of the holders thereof, and suspend or negative voting and dividend rights with respect to such fractions while such scrip certificates remain outstanding.

Anything in this Article X to the contrary notwithstanding, the Railway Company, so long as the Voting Trust Agreement dated as of June 1, 1944, between the Railway Company and certain other parties named therein, shall remain in effect, in lieu of delivering stock certificates or scrip for any shares of stock or fractions thereof otherwise deliverable upon the conversion of

clusive, all rights with respect to any Bond of Series A surrendered for conversion shall cease and determine upon surrender thereof for such purpose. Each payment of interest made as aforesaid on account of any Bond surrendered for conversion pursuant to this Article X shall be made to or upon the order of the registered holder thereof at the time so surrendered.

SECTION 5. Bonds of Series A called for redemption shall be convertible under this Article X at any time on or before the thirtieth day preceding the date fixed for such redemption, or, in case said thirtieth day shall be a holiday, on or before the first business day thereafter.

SECTION 6. The Railway Company has Common Stock now authorized and not issued in excess of the number of shares required to convert all of the Bonds of Series A authorized to be authenticated and delivered pursuant to Section 1 of Article III. The Railway Company covenants that at all times there shall be a number of shares of its stock of such class or classes as shall be required for that purpose, authorized and not issued, and reserved solely for the purposes of this Article X, sufficient to enable it to comply with the provisions of this Article X if all Bonds of Series A then outstanding hereunder should be presented for conversion as herein provided.

SECTION 7. If at the time of the proposed conversion of any Bonds of Series A into Common Stock of the Railway Company, the average consideration per share (in terms of United States dollars) for which the Railway Company shall have issued its then issued and outstanding shares of Common Stock, whether issued for cash, property or services rendered, or as a stock dividend, shall be less than $100 per share, each such Bond shall be convertible into a number of shares of Common Stock of the Railway Company determined by dividing the principal amount of such Bond by two-thirds of the amount of such average consideration per share; provided, that in determining such average consideration per share (a) each share of Common Stock of the Railway Company issued pursuant to the Plan shall, solely for the purposes

conveyance, shares, securities or other property shall be issuable or deliverable for its stock at the time issuable upon conversion of Bonds of Series A, then as a part of such consolidation, merger or conveyance, lawful provision shall be made so that the holders of Bonds of Series A shall thereafter be entitled to receive upon conversion of the same, in lieu of each share of such stock of the Railway Company which would have been deliverable upon conversion of Bonds of Series A on the conversion basis in effect immediately prior to such consolidation, merger or conveyance, the same kind and amount of shares, securities or other property as may be issuable, distributable, deliverable or payable upon such consolidation, merger or conveyance with respect to each share of such stock of the Railway Company outstanding at the date of such consolidation, merger or conveyance; and after such consolidation, merger or conveyance, the right of conversion of holders of the Bonds of Series A shall be to receive such shares, securities or other properties in lieu of such stock of the Railway Company, and the provisions of Section 7 of this Article X shall no longer be applicable.

SECTION 9. In case the Railway Company shall take any action which under the provisions of this Article X shall result in a change in the number of shares of stock or in what is deliverable upon conversion of the Bonds of Series A, it shall, as soon as may be, and in any event within one month after the date of such action, file with the Trustee a statement, signed by its President or one of its Vice Presidents and by its Treasurer or one of its Assistant Treasurers, showing in detail, (a) in the case of a change in the number of classes or the character of stock of the Railway Company issuable upon such conversion, the new conversion basis, or (b) in case of any consolidation or merger or sale of assets, the shares, securities or other property thereafter deliverable upon the conversion of any Bonds of Series A.

SECTION 10. The Trustee shall be under no duty to examine into the truth and accuracy or in any way to verify the facts or conclusions stated in any statement filed with it by the Railway

chises referred to in clauses (a) and (b) of this Section 2, which, as and when purchased, constructed, or otherwise acquired by such successor corporation, shall be and become subject to the lien of the Mortgage.

Any supplemental indenture provided for in Section 1 of this Article IX which, by reason of the provisions of Section 2 of this Article IX, is not required to contain an express grant by the successor corporation of its property and franchises pursuant to paragraph (4) of said Section 1 shall contain:

(a) A grant by such successor corporation confirming the lien of the Mortgage upon the mortgaged property and subjecting to the lien and operation hereof as fully as though such consolidation, merger or sale had not taken place and the same had been acquired or made by the Railway Company: (1) all property theretofore or thereafter acquired either with moneys from the Capital Fund, or with cash at any time then or thereafter held under the First Mortgage or hereunder, or in exchange for property released from the lien hereof, or the acquisition or construction of which has been or shall be made the basis for the authentication and delivery of Bonds or First Mortgage Bonds or for the withdrawal of cash under any provision of the Mortgage or the First Mortgage; (2) all betterments, extensions, improvements and additions of, to, upon or for the property, rights and franchises subject to the lien hereof; (3) all repairs, renewals, replacements, substitutions and alterations of, to, upon or for such property, rights and franchises; (4) all property, rights and franchises thereafter acquired pursuant to any covenant herein contained, which may be purchased, constructed, or otherwise acquired by such successor corporation from and after the date of such consolidation, merger or conveyance, as the case may be; and (5) all other property of every kind and description, whether real, personal or mixed, whether tangible or intangible, and whether con-

Company prior to such acquisition, the properties so acquired shall not become subject to the lien of the Mortgage unless

(a) such properties were acquired in exchange for properties released from the lien of the Mortgage, or

(b) such properties shall be made the basis for the authentication and delivery of Bonds or First Mortgage Bonds or for the withdrawal of cash under any provision of the Mortgage or the First Mortgage, or

(c) such properties shall be acquired pursuant to any covenant contained in the Mortgage, or

(d) the cost of such properties shall be paid by expenditures from the Capital Fund provided for in Article V, or

(e) in any other case the Railway Company shall file with the Trustee, at the time of such acquisition, a certified copy of a resolution of the Board of Directors determining that the lien of the Mortgage shall attach to the properties so acquired from such Class 1 Carrier.

SECTION 4. In case the Railway Company shall be consolidated with or merged into or shall make a conveyance to any other corporation as permitted and upon the terms provided in Section 1 of this Article IX, the successor corporation, upon executing and delivering to the Trustee, and causing to be recorded, the supplemental indenture provided for in Section 1 of this Article IX, shall succeed to and be substituted for the Railway Company with the same force and effect as if it had been named in and had executed the Mortgage as the party of the first part hereto, and shall have and possess and may exercise, subject to the terms and conditions of the Mortgage, each and every power, authority and right herein reserved to or conferred upon the Railway Company; and thereupon such successor corporation may cause to be signed and may issue, either in its own name or in the name of the party of the first part, and under the corporate seal of either the party of the first part or the successor corporation, any and all Bonds which shall not theretofore have been signed by the party of the first part and

ARTICLE X

CONVERSION OF BONDS OF SERIES A

SECTION 1. The registered holder of any Series A Bond may, at his election and subject to the provisions of this Article X, at any time prior to the maturity thereof (except as provided in Section 5 of this Article X with respect to any such Bond called for redemption) convert such Bond, but not any part thereof, into stock of the Railway Company upon the basis (except as otherwise provided in Sections 7 and 8 of this Article X) of one and one-half full-paid and non-assessable shares of Common Stock for each One Hundred Dollars ($100) principal amount of such Bond.

Each such Bond so to be converted shall be surrendered for that purpose to the Railway Company at its office or agency in the Borough of Manhattan, City and State of New York, accompanied by written notice by the registered holder thereof of his election so to convert the same, and by a written instrument of transfer, in form satisfactory to the Railway Company, duly executed by the registered holder thereof or his duly authorized attorney.

The Railway Company shall cancel and deliver to the Trustee all Bonds so surrendered.

SECTION 2. As soon as practicable after such surrender of any Bond of Series A for conversion, the Railway Company shall issue and deliver to or upon the order of the registered holder of such Bond certificates for the shares of stock and for the scrip, if any, issuable upon such conversion, which certificates shall be in the name of such holder or in such name or names as may be directed by him. If any Bond is so surrendered while the books for the transfer of any stock issuable upon such conversion are closed for any purpose, issuance and delivery of certificates for such stock may be postponed until the opening of such books. Delivery of certificates and scrip as aforesaid shall be made free of any tax with respect to the issuance thereof or of the stock represented thereby, except that the Railway Company shall not be required

any Bonds of Series A, may deliver voting trust certificates or voting trust scrip, issued under said Voting Trust Agreement, with respect to such shares or fraction thereof.

SECTION 4. Interest on each Bond of Series A surrendered for conversion shall be payable to the extent and at the times as follows:

(a) Any interest which at or prior to the time of surrender of such Bond shall have become payable on Bonds of Series A and for the payment of which provision has been made shall be paid on such Bond at the time of and notwithstanding surrender thereof, if not previously paid thereon;

(b) In case such Bond be surrendered during the first three months of a calendar year, any contingent interest which shall become payable on Bonds of Series A on April 1 of such calendar year shall be payable on such April 1 with respect to such Bond, notwithstanding surrender thereof, unless the Railway Company shall default in the payment of such interest on Bonds of Series A on such date;

(c) If at the time of surrender of such Bond, interest on Bonds of Series A shall have become fixed and no Event of Default shall theretofore have occurred and then be continuing, interest accrued on any such Bond for the portion of the current calendar year then elapsed shall be paid at the time of such surrender;

(d) If at the time of surrender of such Bond interest on Bonds of Series A shall be contingent, interest shall be payable on such Bond for the portion of the current calendar year then elapsed, but only in case and at the rate that interest for the current calendar year shall be paid upon other Bonds of Series A on January 1 or April 1 of the following calendar year, and then only on or after such January 1 or April 1, as the case may be.

Except as payment of, or reservation of right to, interest is specifically provided for in the preceding clauses (a) to (d), in-

of this Article X, be deemed to have been issued at a price of $100 per share, and (b) each share of such stock issued for property or services rendered, or as a stock dividend, shall be deemed to have been issued at a price equal to the amount credited to capital of the Railway Company on account of the issuance thereof. Each Bond of Series A presented to the Railway Company for conversion at any time after the Railway Company shall have changed its Common Stock without par value into a different number of shares without par value, or into the same or a different number of shares of stock with par value, or into the same or a different number of shares of stock of any other class or classes, shall be convertible into shares of stock of the Railway Company, of the class or classes into which such Common Stock without par value shall have been changed, and in a number of shares equitably determined according to the basis upon which such change was effected, and, in any proper case, upon the basis of an average consideration per share factor adjusted on account of such change, all to the end that after any such change or changes any holder of a Bond of Series A shall be entitled to receive upon conversion thereof pursuant to this Article X the equivalent of the Common Stock of the Railway Company he would then have been entitled to receive had such change or changes not taken place.

The Railway Company covenants that, so long as any Bonds of Series A shall be outstanding, no change in the number or class of shares issuable upon the conversion of such Bonds, and no change in the par value of any such shares, will be made if the result of such change would be to render illegal the issuance, upon the conversion of such Bonds, of shares of stock of the Railway Company of the class or classes and in the amount hereinbefore provided for.

SECTION 8. In case the Railway Company shall consolidate with or be merged into any other corporation or corporations or shall convey substantially all of its property and assets to any other corporation while any of the Bonds of Series A shall be outstanding, and in connection with such consolidation, merger or

Company pursuant to the provisions of Section 9 of this Article X, and the Trustee may rely upon each and every such statement. In case the holders of five per cent (5%) in principal amount of the Bonds of Series A then outstanding shall give written notice to the Trustee that they question the correctness of any such statement so filed, or of any fact or conclusion therein stated, the Trustee shall, upon being indemnified to its satisfaction, cause an investigation thereof to be made, in such manner as in its sole discretion it may deem advisable, and if as a result of such investigation the Trustee shall determine that any correction should be made in any such statement, then the Trustee shall notify the Railway Company in writing of any such correction and thereafter the rights of the holders of Series A Bonds to convert the same as in this Article X provided shall be deemed to be as set forth in such statement as so corrected. The cost of making any such investigation shall, if any correction in any such statement shall be made as aforesaid as a result thereof, be repaid to the Trustee by the Railway Company.

ARTICLE XI

Concerning the Bondholders

Section 1. Whenever in the Mortgage it is provided that the holders of a specified percentage in aggregate principal amount of the Bonds may take any action (including the making of any demand or request, the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by an instrument or any number of instruments of similar tenor executed by such holders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Bonds voting in favor thereof at any meeting of bondholders duly called and held in accordance with the provisions of Article XII, or (c) by a combination of such instrument or instruments and any such record of such a meeting of bondholders.

Section 2. Proof of the execution of any instrument by the holder of any Bond or his agent or proxy, and proof of the holding by any person of any Bond, shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in any State within the United States, that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer.

The fact of the holding by any person of coupon Bonds transferable by delivery, and the amounts and distinctive numbers of such Bonds and the date of his holding the same, may be proved by the production of the Bonds or by a certificate executed by any trust company, bank or bankers satisfactory to the Trustee, wherever situated, if such certificate shall be deemed by the

agent nor any bond registrar shall be affected by any notice to the contrary.

The Railway Company, the Trustee, any paying or conversion agent and any bond registrar may deem and treat the person in whose name any registered Bond without coupons shall be registered at any given time upon the books of the Railway Company, as hereinbefore provided, as the absolute owner of such Bond (whether or not the same shall be overdue) for the purpose of receiving any payment then being made of or on account of the principal of, premium (if any), or interest on such Bond and for all other purposes; and may deem and treat the person in whose name any coupon Bond shall be registered at any given time as the absolute owner thereof (whether or not the same shall be overdue) for the purpose of receiving payment of or on account of the principal of, or premium (if any) on, such Bond, and for all other purposes except to receive payment of any interest represented by outstanding coupons; and neither the Railway Company nor the Trustee nor any paying or conversion agent nor any bond registrar shall be affected by any notice to the contrary. All such payments so made to any such registered holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

Section 4. In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, notice, consent or other action under the Mortgage, Bonds which are owned by the Railway Company or any other obligor on the Bonds, or by any affiliate of either, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided that the Trustee shall be protected in relying on any such demand, request, notice, consent or other action except as to Bonds which the Trustee knows to be so owned.

Section 5. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 1 of this Article XI, of the

ARTICLE XII

Bondholders' Meetings

Section 1. The bondholders present or represented at any meeting of the bondholders called and held as in this Article XII provided may, subject to the limitations, and by vote of the holders of the respective percentages of outstanding Bonds or of outstanding Bonds affected thereby, in this Article XII or elsewhere in the Mortgage set forth, exercise any or all of the following powers:

(1) To give any notice to the Railway Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by bondholders pursuant to any of the provisions of Article XIV hereof;

(2) To remove the Trustee and appoint a successor trustee pursuant to the provisions of Article XIII hereof;

(3) To consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 2 of Article XVII hereof; or

(4) To take any other action or give any other consent authorized to be taken or given by or on behalf of the holders of any specified percentage or portion of the aggregate principal amount of Bonds or of Bonds affected thereby under any other provision of the Mortgage or under applicable law

Section 2. The Trustee may at any time call a meeting of bondholders to take any action specified in Section 1 of this Article XII, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of bondholders, setting forth the time and the place of such meeting and the action proposed to be taken at such meeting and specifying each series of Bonds which would be affected by the proposed action, shall be published at least once each week, for four successive weeks,

same be fully registered or registered only as to principal); or (c) a person appointed by an instrument in writing as proxy for a holder of coupon Bonds transferable by delivery or by the holder of a certificate then in effect issued pursuant to Section 2 of Article XI or by a registered holder of Bonds (whether the same be fully registered or registered only as to principal); provided in every such case that such Bonds be of a series which would be affected by action proposed to be taken at such meeting. The only persons who shall be entitled to be present or to speak at any meeting of bondholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Railway Company and its counsel.

Section 5. Notwithstanding any other provisions of the Mortgage, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of bondholders, in regard to proof of the holding of Bonds and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Section 2 of Article XI and the appointment of any proxy shall be proved in the manner specified in said Section 2 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, bankers or trust company authorized by said Section 2 to certify to the holding of Bonds transferable by delivery.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Railway Company or by bondholders as provided in Section 3 of this Article XII, in which case the Railway Company or the bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A perma-

any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article XII. The record shall show the serial numbers of the Bonds voting in favor of any proposal submitted in accordance with the provisions of Section 1 of this Article XII. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Railway Company and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 7. Nothing in this Article XII contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of bondholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the bondholders under any of the provisions of the Mortgage or of the Bonds.

(b) The Trustee shall not be liable for any error of judgment made in good faith by an officer or officers of the Trustee, if such officer or officers shall have been chosen and continued in office in the exercise of due care, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Mortgage.

None of the provisions contained in the Mortgage shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 2. Except as otherwise provided in Section 1 of this Article XIII:

(a) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, direction, bond, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties

(b) Any request, direction, order or demand of the Railway Company mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Railway Company by the President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Railway Company;

(c) The Trustee may consult with counsel, who may be counsel for the Railway Company, and the opinion of such counsel shall be full and complete authorization and protection

Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Bond bearing a specified serial number was deposited with or exhibited to such trust company, bank or bankers by the person named in such certificate. Any such certificate may be issued in respect of one or more Bonds specified therein. The holding by the person named in any such certificate of any Bond specified therein shall be presumed to continue after the date thereof set forth in such certificate until and unless (a) there shall be produced another certificate issued in respect of the same Bond showing holding thereof by another at a later date or (b) the Bond specified in such certificate (or coupon Bond or Bonds in exchange for which such Bond shall have been surrendered)shall be produced by another or others or (c) the Bond specified in such certificate shall then be registered as to principal in the name of another or shall have been surrendered in exchange for a registered Bond without coupons issued in the name of another.

The ownership of registered coupon Bonds or of registered Bonds without coupons shall be proved by the registers of such Bonds, or by a certificate of the registrar thereof.

The Trustee may require such additional proof of any matter referred to in this Section 2 as it shall deem necessary.

The record of any bondholders' meeting shall be proved in the manner provided in Section 6 of Article XII.

SECTION 3. The Railway Company, the Trustee, any paying and conversion agent and any bond registrar may deem and treat the bearer of any coupon Bond which shall not at the time be registered as hereinbefore authorized, and the bearer of any coupon for interest (whether fixed or contingent) on any Bond whether such Bond shall be registered or not, as the absolute owner of such Bond or coupon, as the case may be (whether or not such Bond or coupon shall be overdue), for the purpose of receiving payment thereof and for all other purposes; and neither the Railway Company nor the Trustee nor any paying or conversion

taking of any action by the holders of the percentage in aggregate principal amount of the Bonds specified in the Mortgage in connection with such action, any holder of a Bond the serial number of which is shown by the evidence to be included in the Bonds the holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 2 of this Article XI, revoke such action so far as concerns such Bond. Except as aforesaid any such action taken by the holder of any Bond shall be conclusive and binding upon such holder and upon all future holders of such Bond, irrespective of whether or not any notation of such consent is made upon such Bond, and in any event any action taken by the holders of the percentage in aggregate principal amount of the Bonds specified in the Mortgage in connection with such action shall be conclusively binding upon the Railway Company, the Trustee and the holders of all the Bonds.

in one newspaper printed in the English language and customarily published on each business day and of general circulation, in the City of Chicago, Illinois, and in a like newspaper so published and of general circulation in the Borough of Manhattan, City and State of New York, the first publication in any such newspaper to be not less than 30 days nor more than 60 days prior to the date fixed for the meeting.

For the purposes of this Article XII and in addition to all other respects in which Bonds may be deemed to be affected by action taken at any meeting, Bonds shall be deemed to be so affected if such action would adversely affect or diminish the rights of the holders thereof against the Railway Company or against its property. The Trustee may in its discretion determine whether or not, in accordance with the foregoing, or for any other reason, Bonds would be affected by action proposed to be taken at any such meeting and any such determination shall be conclusive upon all holders of Bonds. The Trustee shall not be liable for any determination so made in good faith.

SECTION 3. In case at any time the Railway Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten per cent (10%) in aggregate principal amount of the Bonds then outstanding, which would be affected by the action proposed to be taken, shall have requested the Trustee to call a meeting of bondholders, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, and the Trustee shall not have made the first publication of the notice of such meeting within twenty days after receipt of such request, then the Railway Company or the holders of Bonds in the amount above specified may determine the time and place for such meeting and may call such meeting to take any action authorized in Section 1 of this Article XII, by publishing notice thereof as provided in Section 2 of this Article XII.

SECTION 4. To be entitled to vote at any meeting of bondholders a person shall be (a) a holder of coupon Bonds transferable by delivery; or (b) a registered holder of Bonds (whether the

nent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of Bonds the holders of which shall be present or represented and entitled to vote at the meeting.

Subject to the provisions of Section 4 of Article XI, at any meeting each bondholder or proxy shall be entitled to one vote for each $100 of principal amount represented by the Bonds in respect of which he is entitled to vote at the meeting, provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Bonds held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other bondholders. Any meeting of bondholders duly called pursuant to the provisions of Sections 2 or 3 of this Article XII may be adjourned from time to time, as and when, and to such time and place, as may be approved by a majority of votes which holders of Bonds at the time present or represented at such meeting may be entitled to cast, irrespective of the aggregate principal amount of Bonds held by such holders, and the meeting may be held as so adjourned without further notice.

SECTION 6. The vote upon any proposal submitted in accordance with the provisions of Section 1 of this Article XII shall be by written ballots on which shall be subscribed the signatures of the holders of Bonds or certificates or their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast by ballot at the meeting for or against any proposal, and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on

ARTICLE XIII

CONCERNING THE TRUSTEE

SECTION 1. The Trustee accepts the trusts hereby created upon the terms and conditions in this Article XIII specified, to all of which the Railway Company and the holders of the Bonds and coupons at any time outstanding, by their acceptance thereof, agree.

Whenever and so long as an Event of Default has occurred and shall be continuing the Trustee shall exercise such of the powers vested in it by the Mortgage, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of the Mortgage shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that:

(a) So long as no Event of Default shall have occurred and be continuing

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of the Mortgage, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Mortgage, and no implied covenants or obligations shall be read into the Mortgage against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Mortgage;

in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) The Trustee shall be under no obligation to exercise any of the trusts or powers hereof at the request, order or direction of any of the bondholders, pursuant to the provisions of the Mortgage, unless such bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; but, subject to the provisions of the last paragraph of Section 1 of this Article XIII, nothing herein contained shall relieve the Trustee of the obligation, upon the occurrence of an Event of Default and during continuance thereof, to exercise such of the powers vested in it by the Mortgage, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs;

(e) The Trustee is and shall be under no duty or responsibility with respect to any property or cash pledged or deposited with, or delivered or paid to, the trustee of the First Mortgage pursuant to any provision of the Mortgage; during such period of time as the Mortgage shall contemplate that the trustee of the First Mortgage shall hold, apply or otherwise deal with any such cash or property, or exercise authority or discretion with respect thereto, pursuant to the First Mortgage, the Trustee shall have no responsibility for any act or thing done or omitted, or any authority or discretion exercised, with respect to any such property or cash by the trustee under the First Mortgage; and the Trustee shall be entitled to give full credit to, and rely on, a certificate of the trustee of the First Mortgage as to any of the foregoing matters.

(f) The Trustee shall not be personally liable in case of entry by it upon the mortgaged property for debts contracted or liability or damages incurred in the management or operation of said property;

(g) The Trustee shall not be liable for any action taken by it in good faith and believed by it, in the exercise of due care, to be authorized or within the discretion or power conferred upon it by the Mortgage; and

(h) The Trustee may, in its sole discretion, advance moneys for the purpose of paying taxes, rentals under leases, or otherwise preserving the mortgaged property, and for such advances together with interest thereon at the rate of four per cent (4%) per annum, the Trustee shall have a lien on the mortgaged property prior to any claim of the holders of the Bonds.

SECTION 3. Should any taxes or other governmental charges be imposed upon the Trustee, in its capacity as Trustee hereunder, which it may be required to pay under any present or future law of the United States of America or of any other authority therein having jurisdiction, the Trustee shall be reimbursed and indemnified therefor by the Railway Company, and any liability incurred or amounts paid by the Trustee in respect of any such taxes or other governmental charges, until paid, shall constitute a lien upon the mortgaged property prior to any claim of the holders of Bonds, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 4. Except as herein otherwise provided, any notice or demand which by any provision of the Mortgage is required or permitted to be given or served by the Trustee or any other person on the Railway Company, shall be deemed to have been sufficiently given and served for all purposes by being deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Railway Company with the Trustee and thereafter if addressed to such new address) as follows: Chicago and North Western Railway Company, Chicago, Illinois. Any notice, request or demand by any bondholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the principal office of the Trustee.

SECTION 5. (a) The Trustee shall not be bound to recognize any person as the holder of a Bond outstanding hereunder unless

SECTION 8. Subject to the provisions of Section 4 of Article XVI, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. So long as no Event of Default shall have occurred and be continuing, any interest allowed on any such moneys, pursuant to clause (b) of Section 5 of this Article XIII, shall be paid from time to time upon the written order of the Railway Company, signed by its President or any Vice President or its Treasurer or an Assistant Treasurer.

SECTION 9. The Railway Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by the statutes of any state relating to the compensation of a trustee of an express trust), and the Railway Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of the Mortgage (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement and advance as may arise from its negligence or bad faith. The Railway Company also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created by the Mortgage, including the costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Railway Company under this Section 9 to compensate the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall be secured by the lien hereof prior to the claims of the holders of the Bonds upon the mortgaged property, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 12. The Trustee or any successor trustee may at any time resign and be discharged from the trusts hereby created by giving to the Railway Company written notice of such resignation. Notice of such resignation shall be published once each week for two successive weeks, in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, State of Illinois, the first publication in each such newspaper to be within ten days after written notice has been given to the Railway Company as aforesaid, and such resignation shall take effect on the date of the appointment of a successor trustee as hereinafter provided.

The Trustee or any successor trustee may be removed with or without cause at any time by the holders of a majority in principal amount of the Bonds then outstanding hereunder by an instrument or concurrent instruments signed by such holders or their attorneys-in-fact duly authorized. Any Trustee so removed shall be entitled to its reasonable compensation then accrued and unpaid, and the reimbursement of proper expenses theretofore incurred and not previously reimbursed.

SECTION 13. In case at any time the Trustee or any successor trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver of the Trustee or any successor, or of its property, shall be appointed, or if any public officer in the exercise of his official powers shall take charge or control of the Trustee or any successor, or its property or affairs, or if a vacancy shall arise in the trusteeship under the Mortgage from any cause, a successor trustee 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 their attorneys-in-fact duly authorized, and delivered to such new trustee hereunder, notifica-

hereunder may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint a successor trustee. Any trustee appointed by the Railway Company shall, immediately and without further act, be superseded by a trustee appointed by any such court in the manner above provided, if such appointment by such court be made within eighteen months after the first publication of the notice of the appointment of the new trustee by the Railway Company. If application shall be made to any such court within such eighteen months' period in this paragraph provided, the bondholders shall have no power to appoint a trustee as in this Section 13 provided unless such application shall be dismissed within one year after the first publication of the notice of the appointment of a new trustee by the Railway Company.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the predecessor trustee hereunder and to the Railway Company an instrument in writing accepting such appointment hereunder, and thereupon said 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, and (except as the context may otherwise require) will be deemed to be referred to by the term "Trustee" wherever appearing in the Mortgage, all with like effect as if originally named as trustee herein; but the retiring trustee, nevertheless, on the written request of the Railway Company or of the successor trustee, and upon payment of its unpaid compensation and expenses, if any, shall 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 said successor trustee all the right, title and interest of the retiring trustee in and to the mortgaged property and said rights, powers, trusts, duties and obligations; and the retiring trustee shall also, upon like request and upon payment of its

Every such additional trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Trustee shall act, subject to the following provisions and conditions, namely:

(a) The Bonds shall be authenticated and delivered and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody, control and management of moneys, papers or securities, shall be exercised solely by Chemical Bank & Trust Company or its successor, as Trustee hereunder.

(b) All rights, powers, duties and obligations conferred or imposed upon the trustees or any of them shall be conferred and imposed upon and exercised or performed by Chemical Bank & Trust Company or its successor, as Trustee, or Chemical Bank & Trust Company or its successor, as Trustee and such additional trustee jointly, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed Chemical Bank & Trust Company or its successor, as Trustee, shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such additional trustee.

(c) No power given hereby to, or which it is provided hereby may be exercised by, any such additional trustee shall be exercised hereunder by such additional trustee except jointly with, or with the consent in writing of, Chemical Bank & Trust Company or its successor, as Trustee.

(d) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(e) The Railway Company and the Trustee at any time by an instrument in writing executed by them jointly may remove any such additional trustee and in that case, by an instrument in writing executed by them jointly, may appoint a successor to such additional trustee. In the

Trustee in order to have the claims of the holders of the Bonds and coupons against the Railway Company, or any successor, or any other person or corporation, allowed and paid in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings which shall involve the Railway Company or the mortgaged property or any part thereof, and to receive payment of or on account of any such claim or claims; and any receiver, assignee or trustee in any such proceeding is hereby authorized by each of the bondholders to make such payments to the Trustee. The appointment made and authority granted by this Section 15 may be revoked by any holder of Bonds or coupons with respect to Bonds or coupons held by him at any time after institution of any such proceeding, by delivering notice of such revocation to the Trustee and filing a copy thereof in such proceeding. Nothing herein contained shall give the Trustee authority to assent to or reject on behalf of any holder of Bonds and coupons any plan of reorganization, plan of adjustment, or any similar plan, proposed or approved in any such proceeding.

and until such Bond is submitted to the Trustee for inspection if required, and the title thereto established to the satisfaction of the Trustee.

(b) Except as provided in Section 7 of Article VIII, the Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of the Mortgage, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Trustee may agree with the Railway Company to pay.

(c) Any action at any time taken by the Trustee pursuant to or with respect to the Mortgage at the request or with the consent or approval (express or implied) of any person who at the time is the holder of any Bond, shall be conclusive and binding upon all future holders of such Bond.

(d) All rights of action under the Mortgage may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings relative thereto.

SECTION 6. The recitals contained herein and in the Bonds shall be taken as the statements of the Railway Company, and the Trustee assumes no responsibility for the correctness of the same, and the Trustee makes no representations as to the value of the mortgaged property, or as to the title of the Railway Company thereto, or as to the validity or sufficiency of the Mortgage or of the Bonds or coupons; provided, however, that nothing herein contained shall relieve the Trustee of its duty to authenticate Bonds only as authorized by the Mortgage. The Trustee shall not be accountable for the use or application by the Railway Company of any of the Bonds or of the proceeds of such Bonds.

SECTION 7. The Trustee or any paying or conversion agent or bond registrar, in its individual or any other capacity, may become the owner or pledgee of Bonds or coupons with the same rights it would have if it were not Trustee, paying or conversion agent or bond registrar.

SECTION 10. Except as otherwise provided in Section 1 of this Article XIII, whenever in the administration of the trusts created by the Mortgage the Trustee 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, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of the Mortgage upon the faith thereof.

SECTION 11. Any company into which the Trustee or any successor to it in the trusts created by the Mortgage may be merged or with which it or any such successor may be consolidated, or any company resulting from any merger, conversion, or consolidation to which the Trustee or any such successor shall be a party (provided such company shall be a trust company or a banking corporation in good standing organized under the laws of the United States or the State of New York or the State of Illinois and shall have an office in the Borough of Manhattan in the City and State of New York or in the City of Chicago, State of Illinois, and shall have a capital and surplus aggregating at least $5,000,000) shall be the successor trustee under the Mortgage without the execution or filing of any paper or the performance of any further act on the part of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds shall have been authenticated but not delivered, any such successor trustee may adopt the certificate of authentication of Chemical Bank & Trust Company, or of any successor to it, as Trustee hereunder, and deliver the same so authenticated; and in case any of the Bonds shall not have been authenticated, such successor trustee may authenticate such Bonds either in the name of its predecessor or in its own name as such successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in the Bonds or the Mortgage provided that the certificate of the Trustee shall have.

tion being given to the Railway Company and the predecessor trustee; provided, however, that until a new trustee shall be appointed by the bondholders as aforesaid, and shall accept such appointment, the Railway Company, by an instrument duly executed and acknowledged by its proper officers, by authority of its Board of Directors, may appoint a trustee to fill the vacancy until the appointment of a new trustee by the bondholders as herein authorized. Notice of every appointment of a trustee by bondholders or by the Railway Company pursuant to this Section 13 shall be published by the Railway Company once each week for two successive weeks in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, State of Illinois, the first publication in each such newspaper to be within ten days after such appointment has been made as aforesaid. Any new trustee appointed by the Railway Company shall, immediately and without further act, be superseded by a trustee appointed by the bondholders in the manner above provided if such appointment by the bondholders be made within one year after the first publication of the notice of the appointment of the new trustee by the Railway Company.

Every trustee appointed under any of the provisions of this Section 13 shall be a trust company or a banking corporation in good standing organized under the laws of the United States or the State of New York or the State of Illinois, having an office in the Borough of Manhattan in the City and State of New York or in the City of Chicago, State of Illinois, and having a capital and surplus aggregating at least $5,000,000.

If in a proper case no appointment of a successor trustee shall be made by the bondholders pursuant to the foregoing provisions of this Section 13 within six months after the happening of an event entitling the bondholders to make such appointment, as set forth in the first paragraph of this Section 13, the holder of any Bond outstanding hereunder or any retiring trustee

unpaid compensation and expenses as aforesaid, pay over, assign and deliver to the successor trustee any money and other property subject to the lien of the Mortgage then held by it, and deliver any and all records, or copies thereof, in respect of the trusts hereunder which it may have, and upon request of any such successor trustee the Railway Company shall execute, acknowledge and deliver any and all deeds, conveyances or other instruments in writing for more fully and certainly vesting in and confirming to such successor trustee said estates, properties, rights, powers and duties, provided, however, that such successor trustee shall not authenticate Bonds in the name of such predecessor trustee.

SECTION 14. If at any time or times it shall be necessary or prudent in order to conform to any law of any state in which the Railway Company shall at the time hold any property subject to the lien of the Mortgage, or the Trustee shall be advised by counsel satisfactory to it that it is so necessary or prudent in the interest of the holders of the Bonds, or if a majority in principal amount of the holders of the Bonds shall in writing so request the Trustee or the Railway Company, the Trustee and the Railway Company shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Trustee and the Railway Company, either to act hereunder as co-trustee or co-trustees with respect to all or any of the property subject to the lien of the Mortgage (any such bank, trust company or person so appointed being hereinafter referred to as an additional trustee), jointly with the Trustee, or to act hereunder as separate trustee or trustees with respect to any of such property. In the event the Railway Company shall not have joined in the execution of such instruments and agreements within ten (10) days after the receipt of a written request from the Trustee so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee may act under the foregoing provision of this Section 14 without the concurrence of the Railway Company; and the Railway Company hereby fully empowers the Trustee so to act and appoints the Trustee its agent and attorney to act for it under the foregoing provision of this Section 14 in either of such contingencies.

event that the Railway Company shall not have joined in the execution of any such instrument within ten (10) days after the receipt of a written request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee shall have the power to remove any such additional trustee and to appoint a successor additional trustee without the concurrence of the Railway Company; the Railway Company hereby empowers the Trustee to make such removal and appointment and appoints the Trustee its agent and attorney to act for it in such connection and in such contingency. In the event that the Trustee alone shall have appointed an additional trustee as above provided, it may at any time by an instrument in writing remove any such additional trustee, the successor to any such additional trustee to be appointed by the Railway Company and the Trustee, or by the Trustee alone, as hereinbefore in this Section 14 provided.

Subject to requirements of context and to the foregoing, the term "Trustee" appearing throughout the Mortgage shall be deemed to include each such additional trustee.

SECTION 15. The Trustee is hereby appointed (and the successive holders of the Bonds, by taking and holding the same, shall conclusively be deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Bonds, with authority to make and 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 and coupons or in behalf of all holders of the Bonds and coupons as a class, any proof of debt, amendment to any proof of debt. petition or other document, and to execute any and all other papers and documents and do and perform any and all other acts and things for and in behalf of the respective holders of the Bonds and coupons, or in behalf of all holders of the Bonds and coupons as a class, as may be necessary or advisable in the opinion of the

ARTICLE XIV

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 the payment of any coupon or claim for interest on any of the Bonds, and it will not, directly or indirectly be a party to or approve any such arrangement by purchasing or refunding 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 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 the Mortgage, except subject to the prior payment in full of the principal of all Bonds outstanding hereunder and all coupons and claims for interest thereon, the payment of which shall not have been so extended; provided, that the foregoing provisions of this Section 1 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 was made pursuant to a plan proposed by the Railway Company to all holders of any one or more series of Bonds. If, at or after the maturity of any of the Bonds, any coupons or claims for interest in respect of such Bonds shall be owned by the Railway Company, or shall be purchased by or on its behalf, then such matured coupons or claims for interest shall not be entitled to the benefit or security of the Mortgage and the Railway Company covenants that all such coupons and claims for interest so owned by it, or purchased by or on its behalf, at or after their maturity, shall be cancelled promptly.

SECTION 2. If one or more of the following events, herein called Events of Default, shall occur, that is to say:

(a) Default shall be made in the payment of any installment of interest on any of the Bonds when and as such interest shall become due and payable as therein or herein expressed, and such default shall continue for ninety days; or

(b) Default shall be made in the payment of the principal of any of the Bonds, or the premium thereon payable on redemption thereof, when the same shall become due and payable either by the terms thereof or otherwise as herein provided; or

(c) Default shall be made in the observance or performance of any other of the covenants, conditions or agreements on the part of the Railway Company, its successors or assigns, contained in the Bonds or in the Mortgage, and such default shall continue for sixty days (or in case of any default provided by a supplemental indenture for such other time, if any, as may be specified therein) after written notice specifying such default and requiring the same to be remedied 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 twenty per cent (20%) in principal amount of the Bonds at the time outstanding; or

(d) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Railway Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Railway Company under the Bankruptcy Act or any other state or federal law, and such decree or order shall have continued undischarged or unstayed for sixty (60) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of the Railway Company or of its property, or any substantial portion of its property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have continued undischarged and unstayed for sixty (60) days; or

(e) The Railway Company shall institute proceedings to be adjudged a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or shall consent to the filing

mortgaged property and to carry on the business and exercise all rights and powers of the Railway Company with respect thereto, either in the name of the Railway Company or otherwise, as the Trustee shall deem best; and shall be entitled to collect and receive all rates, fares, tolls, earnings, incomes, rents, issues, revenues and profits of the same and every part thereof, including the income from stock, bonds or other obligations subject to the Mortgage; and after deducting the expenses of operating said railways and other premises, and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the mortgaged property, or any part thereof, as well as just and reasonable compensation for its own services and for the services of all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, the Trustee shall apply the rest and residue of the moneys arising as aforesaid as follows:

(i) If the principal of none of the Bonds shall have become due and be unpaid, to the payment of the interest on the Bonds, in the order of the maturity of the installments of such interest, with interest (to the extent permitted by law) on such overdue installments of interest at the highest rate of interest borne by any of the Bonds then outstanding, such payments to be made ratably to the persons entitled to such payment without discrimination or preference.

(ii) If the principal of all or any part of the Bonds shall have become due, by declaration or otherwise and shall be unpaid, *first* to the payment of accrued interest on the Bonds, in the order of the maturity of the installments of such interest, with interest on such overdue installments of interest at the highest rate of interest borne by any of the Bonds then outstanding, and *second* (subject to the provisions of Section 4 of this Article XIV), to the payment of the principal of all Bonds, whether due or not; in every instance such payments to be made ratably to the persons entitled to such payment, without discrimination or preference.

then outstanding to be forthwith due and payable, and upon any such declaration the same shall become and be forthwith due and payable, anything in the Mortgage or in the Bonds contained to the contrary notwithstanding, together with all accumulations of interest, if any. This provision, however, is subject to the condition, that, if at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided or any sale of the mortgaged property or any part thereof shall have been made, all unpaid accumulated interest (if any) upon all the Bonds and all interest accrued and to accrue thereon to the end of the calendar year then current with interest (to the extent permitted by law) on overdue installments of interest at the highest rate of interest borne by any of the Bonds then outstanding, and the principal (and premium, if any) of any Bonds which shall have become due otherwise than by acceleration under this Section 4, and the reasonable charges and expenses of the Trustee, its agents and attorneys, shall either be paid by the Railway Company or be collected out of the income of the mortgaged property, or be provided for by the deposit with the Trustee of a sum sufficient to pay the same, and all other defaults made good to the satisfaction of the Trustee, then and in every such case the holders of two-thirds (2/3) in principal amount of the Bonds 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 Bonds, but no such waiver or annulment 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 the Mortgage, by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver or annulment, 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 mortgaged property, and all rights, remedies and powers of the Rail-

shall deem most expedient in the interest of the holders of the Bonds.

SECTION 6. In the event of any sale, whether made under the power of sale herein granted or conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the mortgaged property shall be sold in one parcel, and as an entirety, unless such sale as an entirety is impracticable in the opinion of the Trustee by reason of some statute or other circumstance, or unless the holders of a majority in principal amount of the Bonds 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 and in such order as may be specified in such request.

The Railway Company, for itself and all persons and corporations hereafter claiming through or under it, or who may at any time hereafter become holders of liens junior to the lien of the Mortgage, hereby expressly waives and releases all right to have the mortgaged property marshalled upon any foreclosure or other enforcement hereof, and the Trustee or any court in which the foreclosure of the Mortgage or the administration of the trusts hereby created is sought, shall have the right as aforesaid to sell the entire property of every description comprised in the mortgaged property, as a whole in a single lot or parcel.

SECTION 7. Notice of any sale pursuant to any provision of the Mortgage shall state the time and place of said sale, 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 newspaper printed in the English language and customarily published on each business day and of general circulation in the City of Chicago, State of Illinois, and in a like newspaper so published and of general circulation in the Borough of Manhattan, City and State of New York, and in such other manner as may be required by law.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to the Mortgage, other than stocks and bonds and other obligations or securities or claims, shall be real estate for all the purposes of the Mortgage, and shall be held and taken to be fixtures and appurtenances of the Railway Company's lines of railroad and a part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

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 therefor 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 the Mortgage, or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication 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 10. In case of a sale of the mortgaged property substantially as a whole under any of the foregoing provisions of this Article XIV, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all Bonds then outstanding, if not previously due, immediately thereupon shall become due and payable, anything in the Bonds or in the Mortgage to the contrary notwithstanding.

SECTION 11. The purchase money, proceeds and avails of any such sale, whether made under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which then may be held by or for the Trustee under any of the provisions of the Mortgage as part of the mortgaged property or of the proceeds thereof, shall be applied as follows:

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 or registered owner of such Bonds and coupons, as his ratable share of such net proceeds; and such purchaser shall be credited on account of the purchase price payable by him with the sums payable out of such net proceeds which shall be applicable to the payment of and which 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 said sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 13. The Railway Company covenants that (1) if default shall be made in the payment of any interest on any Bond or Bonds at any time outstanding hereunder and such default shall have continued for ninety days, or (2) if default shall be made in the payment of the principal of any Bond or Bonds, or the premium thereon payable on redemption thereof, when the same shall become due and payable, whether at the maturity of such Bonds, upon redemption, by declaration or by a sale of the mortgaged property, or otherwise, then, upon demand of the Trustee, the Railway Company will pay to the Trustee for the benefit of the holders of such Bonds and coupons the whole amount then due and payable on such Bonds and coupons, for principal, premium, if any, or interest, with interest on the overdue principal and (to the extent permitted by law) on the overdue installments of interest at the highest rate of interest borne by any of the Bonds then outstanding; and in case the Railway Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as 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 institute and prosecute any action and enforce any judgment or final decree as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of the Mortgage, and the right of

of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or shall make an assignment for the benefit of creditors; or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Railway Company in furtherance of any of the aforesaid purposes; or

(f) An event of default as defined in the First Mortgage shall occur and be continuing;

then, and in each and every such case, the Trustee personally or by its agents or attorneys may, to the extent permitted by law, 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 the mortgaged property or any part thereof, and conduct the business of the Railway Company, either personally or by its superintendents, managers, agents, servants, attorneys, receivers or trustees, in such manner as the Trustee may deem to be to the best advantage of the bondholders, and upon every such entry the Trustee, at the expense of the mortgaged property, from time to time, either by purchase, repair or construction, may maintain and restore the rolling stock, tools and machinery and other property, buildings, bridges and structures erected upon or provided for use in connection with said railways and other premises whereof it shall become possessed as aforesaid, and may insure or keep insured such of the same as are usually insured by railway companies and in the same manner and to the same extent; and likewise from time to time, at the expense of the mortgaged property, may make all necessary or proper repairs, renewals and replacements and useful alterations, additions, betterments and improvements to and on the mortgaged property, and purchase or otherwise secure the use of additional engines, rolling stock, tools, machinery and other property for use thereon, as to it may seem judicious; and, in such case, the Trustee shall have the right to manage the

These provisions, however, are not intended to and shall not be deemed in any wise to modify the provisions of Section 1 of this Article XIV but are subject thereto.

SECTION 3. If the Trustee, under the powers in the Mortgage granted, or a receiver or any trustee appointed under the provisions of the Bankruptcy Act, or any other state or federal law, shall have entered into possession of the mortgaged property, or a part thereof, or one or more Events of Default shall have occurred and be continuing, the Trustee shall be entitled to exercise, while such default shall continue, all right and power to vote and consent with respect to all shares of stock, bonds and other obligations subject to the lien of the Mortgage, and, for the benefit of the holders of the Bonds, shall be entitled to collect and receive all dividends on all shares of stock and all sums payable for principal, interest or otherwise upon any bonds or other obligations that shall then be subject to the Mortgage and shall apply, as hereinbefore in Section 2 of this Article XIV provided, any moneys so received; and, as the holder of any such shares of stock, bonds or other obligations, shall be entitled to perform any and all acts, or to make and execute any and all transfers, requests, requisitions or other instruments, for the purpose of carrying out the provisions of this Section 3; but in the event that a receiver or any such trustee shall have been appointed and shall be in possession of the mortgaged property, the Trustee, from time to time in its discretion, may, and if requested by the holders of a majority in principal amount of the Bonds at the time outstanding, shall, turn over any part or all of the interest moneys and cash dividends so collected by it, to such receiver or trustee.

SECTION 4. In case one or more Events of Default shall have occurred and be continuing, then in each and every such case, unless the principal of all the Bonds shall have already become due and payable, the Trustee may, and, upon the written request of the holders of more than 33⅓% in principal amount of the Bonds then outstanding, shall, by notice in writing mailed to the Railway Company, declare the principal of all Bonds

way Company and of the Trustee shall continue thereafter as though no such proceedings had been taken.

SECTION 5. In case one or more Events of Default shall have occurred and be continuing, the Trustee, with or without entry, personally or by attorney, in its discretion may:

(a) If and to the extent permitted by law, sell, subject to any prior liens thereon, to the highest bidder, all and singular the mortgaged property, and all right, title and interest, claim and demand therein, and right of redemption thereof, in one parcel and as an entirety, except as in Section 6 of this Article XIV provided; which sale or sales shall be made at public auction at such place in the City of Chicago, State of Illinois, or at such place or places, 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 XIV provided; or

(b) Proceed to protect and to enforce its rights and the rights of holders of the Bonds under the Mortgage 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 the Mortgage, 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 its rights or duties and the rights of holders of the Bonds under the Mortgage.

Upon the written request of the holders of more than 25% in principal amount of the Bonds then outstanding, in case any Event of Default shall have occurred and be continuing as aforesaid, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all steps necessary for the protection and enforcement of its rights and the rights of the holders of the Bonds 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,

SECTION 8. The Trustee may adjourn from time to time any sale to be made by it under the provisions of the Mortgage, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales, and without further notice or publication (unless otherwise required by law) such sale may be made at any time or place to which the same shall be so adjourned.

SECTION 9. Upon the completion of any sale or sales under the Mortgage, the Trustee or the court officer conducting the sale 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 and its successors are hereby appointed the true and lawful attorneys, irrevocably, of the Railway Company, in its name and stead to make all necessary deeds, bills of sale and conveyances of the property and franchises and all necessary transfers of shares of stock or bonds or other obligations thus sold; and may substitute one or more persons with like power, the Railway Company hereby ratifying and confirming all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, the Railway Company, if so requested by the Trustee, shall ratify such sale by executing and delivering such deeds of conveyance, bills of sale or other instruments of assignment and transfer, as in the judgment of the Trustee may be advisable.

Any such sale or sales made under or by virtue of the Mortgage, whether under the power of sale hereby granted and conferred or under or by virtue of any 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.

First. To the payment of the costs and expenses of such sale, including 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 mortgaged property, except such as may have arisen by its negligence or bad faith, and to the payment of all taxes, assessments or liens prior to the lien of the Mortgage, except taxes, assessments and prior liens, if any, subject to which the property shall have been sold.

Second. To the payment of the whole amount then due and unpaid upon the Bonds for principal and interest with interest on the overdue principal and (to the extent permitted by law) on the overdue installments of interest at the highest rate of interest borne by any of the Bonds outstanding hereunder and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest ratably, according to the aggregate of such principal and accrued and unpaid interest, without preference or priority of any Bond over any other Bond of the same or of another series or of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, subject, however, to the provisions of Section 1 of this Article XIV.

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 12. In case of any sale under the foregoing provisions of this Article XIV, whether made under the power of sale hereby granted or pursuant to judicial proceedings, 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, subject to the provisions of Section 1 of this Article XIV,

the Trustee to such judgment or final decree 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 the Mortgage or the foreclosure of the lien hereof; and in case of a sale of the mortgaged property or any part thereof, 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 and coupons, for the benefit of the holders thereof, and shall be entitled to institute and prosecute any action and enforce any judgment or final decree as aforesaid for any portion of the said debt remaining unpaid, with interest. No judgment or decree obtained by the Trustee, and no levy of any execution upon the mortgaged property, or upon any other property, shall in any manner, or to any extent, affect the lien of the Mortgage upon the mortgaged property, or any part thereof, or any lien, rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the holders of the Bonds, but such lien, rights, powers and remedies shall continue unimpaired as before, except as otherwise provided by law.

Any moneys collected by the Trustee under this Section 13 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, liabilities and advances made or incurred by the Trustee in managing or maintaining the mortgaged property, except such as may have arisen by its negligence or bad faith; and

Second, to the payment of the amounts then due and unpaid upon the Bonds and coupons in respect of which such moneys shall have been collected, without any preference or priority of any kind, but subject to the provisions of Section 1 of this Article XIV, ratably according to the amounts due and payable upon such Bonds and coupons, respectively, at the date fixed by the Trustee for distribution of such moneys, upon presentation of the several

Bonds and coupons and their surrender, if fully paid, or for proper stamping, if only partially paid.

SECTION 14. The Railway Company will not at any time insist upon or plead, or claim or take advantage of any statute or rule of law, now or hereafter in force, wherever enacted or established, in aid of debtors or permitting or providing for (a) the staying of actions in respect of mortgages or mortgage indebtedness, or for extending the time for payment of any such indebtedness; (b) the valuation or appraisement of the property held under any mortgage or pledge to secure indebtedness prior to any sale or sales thereof pursuant to the terms of such mortgage or pledge or to the decree, judgment or order of any court; or (c) the redemption of any property so sold; and the Railway Company hereby expressly waives all benefit and advantage of any such statute or rule of law, and 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 statute or rule of law had been enacted or established.

SECTION 15. In case (1) the Railway Company shall make default in any of the respects mentioned in Section 2 of this Article XIV and (a) 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 (b) in any judicial proceeding by any party other than the Trustee, a receiver shall be appointed of the Railway Company or of its property or any part thereof, or a judgment or order be entered for the sequestration of its property or any part thereof; or, in case (2) the Railway Company shall make default in the payment of interest as specified in subdivision (a) of said Section 2, and shall by resolution of the Board of Directors admit to the Trustee its inability to make good such default within the period of grace in said subdivision (a) mentioned; the Trustee, in either such case, without waiting the period of grace, if any, in said Section 2 specified in respect of such default, shall thereupon be entitled, in the discretion of the

profits of the mortgaged property shall be paid over to, and shall be received by, the Trustee for the benefit of the holders of the Bonds and coupons to be applied as provided in Section 2 of this Article XIV; provided however, that, notwithstanding the appointment of any such receiver, the Trustee shall be entitled to retain control of, and to collect all interest and dividends or earnings on, any shares of stock, cash, bonds and other obligations pledged with it as security hereunder.

SECTION 17. 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 the Mortgage, or for the execution of any trust hereunder, including the appointment of a receiver, or for any other remedy hereunder, unless such holder previously shall have delivered to the Trustee written notice that one or more Events of Default which default or defaults shall be specified in such notice, has occurred and is continuing nor unless also the holders of more than 33⅓% in principal amount of the Bonds then outstanding shall have requested the Trustee in writing and shall have afforded 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 one or more holders of Bonds shall have offered to the Trustee adequate security and indemnity, satisfactory 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 on such notification, request and offer of indemnity for at least 30 days; 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 exercise of the powers and trusts of the Mortgage and to any action or cause of action for foreclosure, including the appointment of a receiver or trustee, or for any other remedy hereunder; it being understood and intended that no holder of any Bond or coupon shall have any right in any manner whatever by his action to affect, disturb or prejudice the lien of the Mortgage or to enforce any right hereunder, except in the manner herein

enactment, rule or order would, in the judgment of the Trustee, impair the security hereunder or be prejudicial to the Trustee or to the bondholders.

SECTION 21. The holders of a majority in aggregate principal amount of the Bonds at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or the exercise or non-exercise of any trust or power conferred on the Trustee. The holders of two-thirds in aggregate principal amount of the Bonds at the time outstanding may on behalf of the holders of all of the Bonds waive any past default hereunder and its consequences except an Event of Default specified in clause (a) or (b) of Section 2 of this Article XIV. In the case of any such waiver, the Railway Company, the Trustee and the holders of the Bonds shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 22. All parties to this Mortgage agree, and each holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Mortgage, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 22 shall not apply to any suit instituted by the Trustee, to any suit instituted by any bondholder, or group of bondholders, holding more than ten per cent in aggregate principal amount of the Bonds outstanding, or to any suit instituted by any bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the due date expressed in such Bond.

SECTION 23. To the extent that any provision of this Article XIV may be invalid or unenforceable under any applicable law with respect to any of the mortgaged property, such provision shall be deemed inoperative and inapplicable.

ARTICLE XVI

DEFEASANCE

SECTION 1. If (a) the Railway Company shall deliver to the Trustee for cancellation all Bonds (with appurtenant coupons) theretofore authenticated and not theretofore cancelled, or (b) all the Bonds not theretofore cancelled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Railway Company shall deposit with the Trustee as trust funds an amount sufficient to pay at maturity or upon redemption all of the Bonds not theretofore cancelled or delivered to the Trustee for cancellation, including the principal thereof, premium if any, and the full amount of interest which may be or become due thereon to such date of maturity or redemption date as the case may be, and if in either case the Railway Company shall also pay or cause to be paid all other sums payable hereunder by the Railway Company, then the Mortgage shall cease to be of further effect. In such event the Trustee, on demand of the Railway Company and at its cost and expense, shall execute and deliver to the Railway Company such instrument or instruments as may be appropriate to acknowledge satisfaction of the Mortgage and as will enable the Railway Company to have the Mortgage discharged of record, and shall release and assign, or cause to be released and assigned, to the Railway Company all of its interest in the mortgaged property, and shall deliver to the Railway Company or upon its order, all securities and moneys then held by the Trustee under the provisions hereof other than the money deposited as above provided in this Article XVI. The Railway Company agrees to reimburse the Trustee for any costs or expenses reasonably and properly incurred by the Trustee in connection with the Mortgage or with the Bonds.

SECTION 2. All moneys deposited with the Trustee pursuant to Section 1 of this Article XVI shall be held in trust and applied

ARTICLE XVII

SUPPLEMENTAL INDENTURES

SECTION 1. The Railway Company, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) To convey, transfer and assign to the Trustee and subject to the lien of the Mortgage, with the same force and effect as though included in the granting clauses hereof, additional property then owned by the Railway Company, acquired through consolidation, merger, purchase or otherwise;

(b) To evidence the succession of another corporation to the Railway Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Railway Company pursuant to Article IX;

(c) To set forth the terms and provisions of any series of Bonds to be issued hereunder and the form of the Bonds and coupons of such series;

(d) To add to the covenants of the Railway Company such further covenants for the protection of the mortgaged property and the holders of the Bonds as the Board of Directors and the Trustee shall consider to be for the protection of the holders of Bonds, and to make the occurrence and continuance of a default under any of such additional covenants a default permitting the enforcement of all or any of the several remedies provided in the Mortgage; provided, however, that in respect of any such additional covenant, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement of said remedy or remedies upon such default or may limit the remedies available to the Trustee upon such

(a) modifying, altering, adding to or eliminating any provision of the Mortgage and any provision as to the lien thereof, including the termination of such lien otherwise than as in the Mortgage provided, with respect to any property or properties or part or parts thereof at any time subject thereto; or

(b) modifying, altering, adding to, eliminating or compromising rights of the holders of Bonds and coupons and rights and obligations of the Railway Company;

provided, however, that no such action shall

(i) without the consent of the holder of a Bond alter or impair the obligation of the Railway Company to pay the principal thereof at the time and place and in the currency provided therein; or

(ii) affect the rights, duties or immunities of the Trustee under the Mortgage without the written consent of the Trustee; or

(iii) reduce the aforesaid percentage of Bonds, the holders of which are required to consent to any such supplemental indenture without the consent of the holder of each Bond outstanding.

Whether or not any such action would affect the holders of any Bonds shall be determined in accordance with the provisions of Section 2 of Article XII.

Upon the request of the Railway Company, accompanied by a certified copy of a resolution of the Board of Directors authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of bondholders as aforesaid, the Trustee shall join with the Railway Company in the execution of such supplemental indenture.

It shall not be necessary for the consent of the bondholders under this Section 2 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Trustee, 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 during continuance of default as hereinbefore provided, and the Trustee shall thereupon be entitled as a matter of right (i) to the appointment of a receiver of the mortgaged property and of the earnings, rents, issues, profits, tolls, revenues and income thereof, with such powers as the court making such appointment shall confer and (ii) to the entry of an order directing that the rents, issues, profits, tolls, revenues and other income of the premises and property comprised in the mortgaged property be segregated, sequestered and impounded for the benefit of the Trustee and the bondholders from and after the date of the institution of any judicial proceedings of the nature referred to in this Section 15 or in paragraphs (d) and (e) of Section 2 of this Article XIV. Notwithstanding the appointment of any such receiver, the Trustee, as pledgee, shall be entitled to retain possession and control of, and to collect all interest and dividends or earnings on, any shares of stock, cash, bonds and other obligations pledged with it as security hereunder.

The Railway Company hereby irrevocably consents to the appointment of such receiver and to the entry of such order.

SECTION 16. Upon application of the Trustee to any court of competent jurisdiction, and with the consent of the Railway Company, if none of the Events of Default shall have occurred and be continuing, and without such consent if one or more of the Events of Defaults shall have occurred and be continuing, a receiver may be appointed to take possession of, and to operate, maintain and manage the mortgaged property or any part thereof, and any other property of the Railway Company used for, in or about, or the use or possession whereof shall be essential to, the operation of the mortgaged property or any part thereof, 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 of any part of said property shall be appointed under this Section 16, or otherwise, the net income and

provided, and that all proceedings at law or in equity shall be instituted, had or maintained in the manner herein provided, and for the equal benefit of all holders of the outstanding Bonds and coupons.

Nothing contained in this Section 17 or elsewhere in the Mortgage or in the Bonds or in the coupons shall affect or impair the obligation of the Railway Company, which is unconditional and absolute, to pay the principal of and interest on the Bonds to the respective holders of the Bonds and to the respective holders of the coupons, at the times and places in such Bonds or coupons stated, nor affect or impair the right of action at law, which is also absolute and unconditional, of such holders to collect such payment.

SECTION 18. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or the bondholders is intended to be exclusive of any other remedy or remedies, 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 19. No delay of the Trustee or of any bondholder in exercising any right or power accruing upon any default continuing as aforesaid and no omission to exercise any such right or power 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 XIV to the Trustee, or to any bondholder, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such bondholder, respectively.

SECTION 20. The Trustee shall have power, but shall be under no duty, 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 it may be advised and believe is unconstitutional, or otherwise invalid, if the enforcement of, or compliance with, or observance of, such

ARTICLE XV

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, DIRECTORS AND OFFICERS

No recourse under or upon any obligation, covenant or agreement of the Mortgage, or of any Bond or coupon, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, as such, either directly or through the Railway Company, 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 understood that the Mortgage and the Bonds issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors of the Railway Company or of any successor corporation, as such, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Mortgage or in any of the Bonds or coupons or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, and any and all such rights and claims against every such incorporator, stockholder, officer or director, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Mortgage or in any of the Bonds or coupons or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of the Mortgage and the issue of such Bonds and coupons.

by it to the payment, either directly or through any paying agent, to the holders of the Bonds and coupons of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 3. Upon the satisfaction and discharge of the Mortgage all moneys then held by any paying agent under any provision of the Mortgage shall be paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such moneys.

SECTION 4. Any moneys deposited with the Trustee or with any paying agent for the payment of the principal of, or the premium or interest on, any Bond which shall remain unclaimed by the holders of the Bonds or coupons entitled to receive the same for six years after the date upon which the principal of such Bond shall have become due and payable shall be repaid to the Railway Company on demand; and the holders of the Bonds or coupons entitled to receive such payment shall thereafter look only to the Railway Company for the payment thereof; provided, however, that (a) before any such repayment may be made, the Trustee shall at the expense of the Railway Company cause to be published once a week for two successive weeks in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, Illinois, a notice that said moneys have not been claimed, and that after a date named therein (which shall be at least ten days subsequent to the second publication) any balance of said moneys then remaining will be returned to the Railway Company, and (b) the amount of such repayment shall be limited to the balance of such moneys unclaimed at the close of business on such date.

default or may authorize the holders of any specified percentage in aggregate principal amount of the Bonds to waive such default and prescribe limitations on such rights of waiver; and

(e) To cure any ambiguity or to correct or supplement any provision contained in the Mortgage which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Mortgage as shall not be inconsistent with the provisions of the Mortgage and shall not adversely affect the interests of the holders of the Bonds.

The Trustee is hereby authorized to join with the Railway Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which in its opinion affects the Trustee's own rights, duties or immunities under the Mortgage or otherwise.

Any supplemental indenture authorized by the provisions of this Section 1 may be executed by the Railway Company and the Trustee without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 2 of this Article XVII.

SECTION 2. With the consent (evidenced as provided in Section 1 of Article XI) of the holders of not less than 66⅔% in aggregate principal amount of the Bonds at the time outstanding which would be affected by the action proposed to be taken, the Railway Company, when authorized by a resolution of its Board of Directors, and the Trustee may, from time to time and at any time, whether or not an Event of Default shall have occurred and be continuing and pursuant to general plan or otherwise, enter into an indenture or indentures supplemental hereto for the purpose of

SECTION 3. Upon the execution of any supplemental indenture pursuant to the provisions of this Article XVII, the Mortgage shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under the Mortgage of the Railway Company, the Trustee and the holders of Bonds of all series outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of the Mortgage for any and all purposes.

SECTION 4. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article XVII may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Railway Company or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of the Mortgage contained in any such supplemental indenture may be prepared by the Railway Company, authenticated by the Trustee and delivered without cost to the holders of Bonds of the same series then outstanding, upon surrender of such Bonds accompanied, in the case of coupon Bonds, by all unmatured coupons and all unpaid matured coupons which shall be appurtenant thereto, the new Bonds so issued to be of an aggregate principal amount equal to the aggregate principal amount of those so surrendered.

ARTICLE XVIII

Miscellaneous

SECTION 1. The same officer or officers of the Railway Company, or the same engineer, accountant or counsel or other person, as the case may be, need not certify to all the matters required to be certified under the provisions of any Article or Section of the Mortgage, but different officers, engineers, accountants, counsel or other persons may certify to different matters respectively.

SECTION 2. Each certificate or opinion required to be given with respect to compliance with a specified condition or covenant provided for in the Mortgage shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (3) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with. The foregoing provisions of this Section 2 shall not apply to any instrument designated in the Mortgage as a "report" or as a "statement" or otherwise than as a "certificate" or "opinion."

SECTION 3. Except as otherwise expressly provided herein, nothing in the Mortgage, or in any of the Bonds or coupons, express or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation other than the parties hereto and the holders from time to time of the Bonds or coupons issued under the Mortgage any security, right, remedy or claim, legal or equitable, under or by reason of the Mortgage, or under or by reason of any covenant, condition or stipulation herein contained; and the Mortgage and all covenants, conditions and provisions herein contained are and shall be held to be for the sole and exclusive benefit of the parties hereto and the holders from time to time of the Bonds and coupons issued hereunder.

SECTION 4. The Railway Company shall be entitled to obtain from the Trustee from time to time such certificates of the

Attest:

W. F. WHITE [SEAL]
Ass't Secretary

In the presence of:

H. J. DUNHAM

OPAL MORGAN

CHEMICAL BANK & TRUST COMPANY

By HOWARD B. SMITH
Corporate Trust Officer

Attest:

R. H. SHERMAN [SEAL]
Assistant Secretary

In the presence of:

L. R. TILLISON

E. O. STOOTHOFF

Chicago and North Western Railway Company, and for the uses and purposes in said instrument set forth.

And at the same time said BARRET CONWAY and W. F. WHITE, being by me severally and duly sworn, did severally depose and say that said BARRET CONWAY resides at 387 Linden Street, in the Village of Winnetka, State of Illinois, and that said W. F. WHITE resides at 590 Forest Avenue, in the Village of Glen Ellyn, State of Illinois; that said Chicago and North Western Railway Company is a corporation; that they are and at the time of the execution of the foregoing instrument were a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company, the corporation described in and which executed the foregoing instrument; that they knew the seal of said corporation; that they signed and executed the foregoing instrument as Vice President and Assistant Secretary, respectively, of said corporation and in its behalf and by order and authority of its Board of Directors; and that the seal affixed to the said instrument is the corporate seal of said Chicago and North Western Railway 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 to be the corporate seal of the Chicago and North Western Railway Company.

I further certify that said foregoing instrument was subscribed and sworn to before me by the said BARRET CONWAY and W. F. WHITE, the day and year below written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal as notary public for the County of Cook, in the State of Illinois, on said 1st day of June, 1944.

My commission will expire February 11, 1947.

Signed LEO C. WHITE

[NOTARIAL SEAL]

And at the same time said HOWARD B. SMITH and R. H. SHERMAN, being by me severally and duly sworn, did severally depose and say that said HOWARD B. SMITH resides at 18 Llewellyn Road, in the City of Montclair, State of New Jersey, and that said R. H. SHERMAN resides at 214–30 112th Road, Queens Village, in the Borough of Queens, City and State of New York; that said Chemical Bank & Trust Company is a corporation; that they are and at the time of the execution of the foregoing instrument were a Corporate Trust Officer and an Assistant Secretary, respectively, of said Chemical Bank & Trust Company, the corporation described in and which executed the foregoing instrument; that they knew the seal of said corporation; that they signed and executed the foregoing instrument as Corporate Trust Officer and Assistant Secretary, respectively, of said corporation and in its behalf and by order and authority of its Board of Directors; and that the seal affixed to the said instrument is the corporate seal of said Chemical Bank & 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 to be the corporate seal of Chemical Bank & Trust Company.

I further certify that said foregoing instrument was subscribed and sworn to before me by the said HOWARD B. SMITH and R. H. SHERMAN, the day and year below written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal as notary public for the County of New York, in the State of New York, on said 2nd day of June, 1944.

Signed HAROLD WILLIAMS

[NOTARIAL SEAL]

HAROLD WILLIAMS
NOTARY PUBLIC, Queens County, No. 3073
Certificates Filed in Queens Co. Register's No. 164–W–6
New York Co. Clerk's No. 576, Register's No. 322–W–6
Suffolk County Commission Expires March 30, 1946

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 6th day of
June A. D. 1944 at 9
o'clock A. M. and recorded in File
38 of R. R. Mtgs.
on page 76-112
Fred R. Zimmerman
Secretary of State

latter as to matters related to the Mortgage which are within its knowledge as the Railway Company shall find it necessary or advisable to file with the trustee of the First Mortgage for any of the purposes thereof.

SECTION 5. The Mortgage may be executed in any number of counterparts, each of which shall be an original.

SECTION 6. Chemical Bank & Trust Company, the party of the second part, hereby accepts the trusts in this Second Mortgage and Deed of Trust declared and provided, upon the terms and conditions hereinabove set forth.

SECTION 7. The Mortgage is dated as of January 1, 1939, although executed and delivered on the date of the acknowledgment hereof by the Trustee, but is effective by order of the Court in the proceedings hereinbefore mentioned at 12:01 A.M. on June 1, 1944.

IN WITNESS WHEREOF, CHICAGO AND NORTH WESTERN RAILWAY COMPANY, the party of the first part, has caused this Second Mortgage and Deed of Trust to be signed and acknowledged by its President or one of its Vice Presidents, thereunto duly authorized, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or its Assistant Secretary; and Chemical Bank & Trust Company, the party of the second part, has caused the Mortgage to be signed and acknowledged by its Corporate Trust Officer or one of its Trust Officers, thereunto duly authorized, and has caused its corporate seal to be affixed hereunto and the same to be attested by one of its Assistant Secretaries, as of the day and year first written above.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

By BARRET CONWAY
Vice President

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

I, LEO C. WHITE, a notary public in and for the County of Cook in the State of Illinois, being a resident in the City of Park Ridge, County of Cook, and State of Illinois, do hereby certify that on this 1st day of June, in the year 1944, before me, the subscriber, personally appeared BARRET CONWAY and W. F. WHITE, a Vice President and an Assistant Secretary, respectively, of the Chicago and North Western Railway Company, a corporation, and on this same day also appeared before me by its said officers the said Chicago and North Western Railway Company, being known to me to be the corporation whose name is subscribed to the foregoing instrument and which executed the same as the party of the first part; that BARRET CONWAY and W. F. WHITE are personally known to me and are known to me to be a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company and the identical persons whose names are subscribed to the foregoing instrument as Vice President and Assistant Secretary of said corporation; that said BARRET CONWAY and W. F. WHITE then and there severally acknowledged to me that they signed, sealed and delivered the foregoing instrument as a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company and in behalf of said corporation and by order of its Board of Directors, and that they were Vice President and Assistant Secretary, respectively, of said corporation at the time of the execution of said foregoing instrument, and that the seal affixed to said instrument is the corporate seal of the Chicago and North Western Railway 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 BARRET CONWAY and W. F. WHITE then and there further severally acknowledged to me that they executed said instrument as their free and voluntary act and deed as such Vice President and Assistant Secretary, respectively, and as the free and voluntary act and deed of said

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK }

I, HAROLD WILLIAMS, a notary public in and for the County of New York in the State of New York, being a resident in the Borough of Queens, City and State of New York, do hereby certify that on this 2nd day of June, in the year 1944, before me, the subscriber, personally appeared HOWARD B. SMITH and R. H. SHERMAN, a Corporate Trust Officer and an Assistant Secretary, respectively, of Chemical Bank & Trust Company, a corporation, and on this same day also appeared before me by its said officers Chemical Bank & Trust Company, being known to me to be the corporation whose name is subscribed to the foregoing instrument and which executed the same as the party of the second part; that HOWARD B. SMITH and R. H. SHERMAN are personally known to me and are known to me to be a Corporate Trust Officer and an Assistant Secretary, respectively, of said Chemical Bank & Trust Company and the identical persons whose names are subscribed to the foregoing instrument as Corporate Trust Officer and Assistant Secretary of said corporation; that said HOWARD B. SMITH and R. H. SHERMAN then and there severally acknowledged to me that they signed, sealed and delivered the foregoing instrument as a Corporate Trust Officer and an Assistant Secretary, respectively, of said Chemical Bank & Trust Company and in behalf of said corporation and by order of its Board of Directors, and that they were Corporate Trust Officer and Assistant Secretary, respectively, of said corporation at the time of the execution of said foregoing instrument, and that the seal affixed to said instrument is the corporate seal of Chemical Bank & 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 HOWARD B. SMITH and R. H. SHERMAN then and there further severally acknowledged to me that they executed said instrument as their free and voluntary act and deed as such Corporate Trust Officer and Assistant Secretary, respectively, and as the free and voluntary act and deed of said Chemical Bank & Trust Company, and for the uses and purposes in said instrument set forth.

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

BARRET CONWAY, being first duly sworn, deposes and says that he is a Vice President of Chicago and North Western Railway Company, a corporation organized and existing under the laws of the State of Wisconsin, which executed as mortgagor the Second Mortgage and Deed of Trust to which this affidavit is appended, that the consideration of said mortgage was actual and adequate, that the same was given in good faith for the purposes set forth in said mortgage, and that Chemical Bank & Trust Company, the trustee and mortgagee named in said mortgage, has delivered to said Railway Company, and said Railway Company has received, a duplicate copy of said mortgage as executed.

BARRET CONWAY

Subscribed and sworn to
before me this 3rd
day of June,
1944.

LEO C. WHITE
Notary Public

My commission will expire February 11, 1947.

[NOTARIAL SEAL]

State of Wisconsin } ss.
DEPARTMENT OF ST/TE
Received this 6th day of
June A. D. 1944 at 9
o'clock A. M. and recorded in File
38 of R.R. Mtgs.
on pages 26-112
Fred R. Zimmerman
Assistant Secretary of State

COUNTERPART NO. 10 of 125

GENERAL MORTGAGE

MINNEAPOLIS, ST. PAUL & SAULT STE.MARIE
RAILROAD COMPANY

TO

HARRIS TRUST AND SAVINGS BANK
TRUSTEE

DATED AS OF JANUARY 1, 1944

This Indenture of Mortgage and Deed of Trust, dated as of the first day of January, One Thousand Nine Hundred Forty-Four (hereinafter referred to as the "Mortgage"), between MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Minnesota (hereinafter referred to as the "Railroad Company"), having its principal office in First National-Soo Line Building in the City of Minneapolis, State of Minnesota, party of the first part, and HARRIS TRUST AND SAVINGS BANK, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter referred to as the "Trustee"), having its principal office at 115 West Monroe Street, in the City of Chicago, State of Illinois, party of the second part,

WITNESSETH:

WHEREAS, the Railroad Company is a corporation duly organized and existing under the laws of the State of Minnesota and is authorized by its articles of incorporation and pursuant to law to acquire, own, lease, construct, extend, maintain and operate a line or lines of railroad in the States of Minnesota, Illinois, Wisconsin, Michigan, North Dakota, South Dakota and Montana; and

WHEREAS, the Railroad Company was organized in order to carry out a certain plan of reorganization of Minneapolis, St. Paul & Sault Ste. Marie Railway Company approved and certified by order of the Interstate Commerce Commission dated June 17, 1942, in proceedings entitled "In the Matter of Minneapolis, St. Paul & Sault Ste. Marie Railway Company Reorganization, Finance Docket No. 11897", and confirmed by the District Court of the United States for the District of Minnesota, Fourth Division, (hereinafter called the "Court") by order dated June 18, 1943, in proceedings for the reorganization of a railroad under Section 77 of the Bankruptcy Act, entitled "In the Matter of Minneapolis, St.

WHEREAS, in accordance with the Plan, the Reorganization Managers designated pursuant thereto have duly determined the form and provisions (so far as not otherwise in the Plan specifically provided) of the Mortgage and of the Bonds of Series A to be issued thereunder, and the Court, pursuant to the requirements of the Plan and the power vested in the Court by the Plan to cure any defect, supply any omission or reconcile any inconsistency in such manner and to such extent as may be necessary or expedient to carry out the Plan effectively, has adjusted the Plan in certain respects, and, by order dated August 17, 1944, has approved the form and provisions of the Mortgage and of the Bonds and coupons provided to be issued thereunder; and

WHEREAS, the Bonds of Series A (which are to be in the form of registered Bonds without coupons only), and the Trustee's certificate of authentication to be endorsed on the Bonds of all series, are to be substantially in the following forms, respectively:

(Form of Registered Bond without Coupons of Series A)

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

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY
GENERAL MORTGAGE 4% INCOME BOND, SERIES A,
DUE JANUARY 1, 1991

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Minnesota, and having its principal office in the City of Minneapolis, State of Minnesota (herein referred to as the "Railroad Company"), for value received, hereby promises to pay to ...., or registered assigns, on January 1, 1991, the principal sum of .... ($.....) in such coin or currency of the United States of America as at the time of payment shall be legal tender for the pay-

Paul & Sault Ste. Marie Railway Company, Debtor, No. 13816" (said plan as so confirmed being hereinafter referred to as the "Plan" and the debtor in said proceedings being hereinafter referred to as the "Debtor"), and said order has become final in all respects; and

WHEREAS, pursuant to the Plan and the order of the Court dated August 17, 1944, and by virtue of appropriate conveyances from the Debtor, and G. W. Webster and Joseph Chapman as trustees of its property, the Railroad Company now owns the several lines of railway and other property and franchises heretofore owned by the Debtor and by G. W. Webster and Joseph Chapman, as trustees of the Debtor's property; and

WHEREAS, in order to comply with the provisions of the Plan and orders of the Court and to provide funds for its lawful corporate purposes, the Railroad Company has duly determined to issue its General Mortgage Bonds, not limited in aggregate principal amount except as hereinafter provided, to be secured by the Mortgage on the real and personal property of the Railroad Company hereinafter described or referred to as being or to become subject to the lien hereof, such Bonds to be issued in one or more series from time to time, the Bonds of each series to be issued originally either as coupon Bonds registerable as to principal or as registered Bonds without coupons, or both, as hereinafter provided, and all such Bonds to be authenticated by the certificate of the Trustee; and

WHEREAS, pursuant to the order of the Court dated August 17, 1944, amounts equivalent to the interest payable for the years 1941, 1942 and 1943 on the General Mortgage Bonds of Series A to be issued under the Plan have been paid, or made available for payment, to the holders of securities of the Debtor to whom such Bonds of Series A are allotted under the Plan; and

ment of public and private debts; and (except as herein otherwise provided) to pay interest on said principal sum in like coin or currency at the rate of four per cent (4%) per annum from the date hereof until said principal sum becomes due and payable and, if default be made in the payment of said principal sum when due and payable, thereafter (to the extent permitted by law) at the highest rate of interest borne by any of the Bonds outstanding under the Mortgage hereinafter referred to until the Railroad Company's obligation with respect to the payment of said principal sum shall be discharged as provided in the Mortgage, and (to the extent permitted by law) to pay interest on any unpaid instalment of interest after the same becomes due and payable at the highest rate of interest borne by any of said Bonds. Until said principal sum becomes due and payable, interest on this Bond with respect to each calendar year prior to the calendar year immediately preceding the date of maturity of this Bond will become due as a debt on the last day of each such calendar year and will be paid on May 1 of the succeeding calendar year to the registered holder thereof of record at the close of business on the tenth day preceding such May 1, but only to the extent of Available Net Income of the Railroad Company, as defined and made applicable to the payment of such interest under the terms and provisions of the Mortgage, and to the extent not so payable will not accumulate. Interest on this Bond with respect to the calendar year 1990 will be paid on January 1, 1991, whether or not the Available Net Income of the Railroad Company is sufficient therefor.

The principal of and interest on this Bond are payable at the office or agency of the Railroad Company in the City of Chicago, State of Illinois, or at the option of the registered holder hereof at the office or agency of the Railroad Company in the Borough of Manhattan, City and State of New York.

This Bond is one of the General Mortgage Bonds of the Railroad Company (herein referred to as the "Bonds"), not limited in aggregate principal amount except as provided in the Mortgage, issued and to be issued under, and all equally and proportionately secured by, a mortgage and deed of trust dated as of January 1, 1944 (herein referred to as the "Mortgage"), duly executed and delivered by the Railroad Company to Harris Trust and Savings Bank, Trustee, and its successors

in trust (which Trustee and its successors in trust are hereinafter referred to as "Trustee"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of and restrictions upon the Railroad Company and the holders of the Bonds in respect of such security, including the method of determining and applying Available Net Income, and the rights, duties and immunities of the Trustee and the terms and conditions under which the Bonds are, and may be, issued and secured. By the terms of the Mortgage, the Bonds may be for various principal sums and are issuable in series, and the Bonds of any series may differ from the Bonds of any other series as to denomination, date, maturity, interest rate, redemption and otherwise, all as in the Mortgage provided. Bonds of Series A, of which this is one, are designated as the "General Mortgage 4% Income Bonds, Series A, due January 1, 1991," and the aggregate principal amount thereof is limited to $20,129,000.

If an event of default as defined in the Mortgage shall occur, the principal of this Bond may be declared, and upon such declaration shall become, due and payable prior to the stated date of maturity hereof in the manner, with the effect and subject to the conditions provided in the Mortgage.

The Mortgage contains provisions permitting the Railroad Company and the Trustee at any time or times, with the consent of the holders of not less than 75% in principal amount of all of the Bonds at the time outstanding, evidenced as in the Mortgage provided, to modify, alter, add to or eliminate in any manner any of the provisions of the Mortgage or of any indenture supplemental thereto, or the rights of the holders of the Bonds or the rights and obligations of the Railroad Company, or to sanction any compromise of the rights of the holders of Bonds against the Railroad Company or against its property, or to sanction or approve any plan for the reorganization, readjustment or liquidation of the Railroad Company; provided, however, that without the consent of the holder of this Bond, as evidenced by an appropriate legend endorsed hereon, no such modification, alteration, addition, elimination, sanction or approval shall (i) reduce the prin-

in said City of Chicago or in said Borough of Manhattan, but only in the manner, subject to the limitations, upon payment of the charges provided in the Mortgage, and upon surrender and cancellation of this Bond. Upon any such transfer a new registered Bond or Bonds without coupons of the same series and maturity date and of authorized denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Railroad Company, the Trustee, any paying agent and any bond registrar may deem and treat the registered holder hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue), for the purpose of receiving any payment then being made of or on account of the principal hereof and interest hereon, and for all other purposes, and neither the Railroad Company nor the Trustee nor any paying agent nor any bond registrar shall be bound by any notice to the contrary.

The Bonds of this series are issuable only in the form of registered Bonds without coupons, in denominations of $100, $500, $1,000, $5,000 and $10,000, and, with the consent of the Railroad Company, in denominations in excess of $10,000. Upon presentation thereof for that purpose at the office or agency maintained by the Railroad Company in said City of Chicago or in said Borough of Manhattan, and in the manner, subject to the limitations, and upon payment of the charges provided in the Mortgage, Bonds of this series may be exchanged for a like principal amount of Bonds of this series of authorized denominations, except that Bonds of this series of the denominations of $100 and $500 may be exchanged in principal amounts aggregating $1,000 or a multiple thereof only for an equivalent principal amount of Bonds of this series of the denomination of $1,000 or larger, and Bonds of this series of the denomination of $1,000 or larger may not be exchanged for Bonds of this series of the denomination of $500 or $100.

Each Bond of this series delivered pursuant to the exercise of any privilege of transfer or exchange, or in substitution, for the whole or any part of one or more other Bonds of this series shall carry all of the rights to unpaid interest which were carried by the whole or such part of such one or more

(Form of Trustee's Certificate of Authentication on Bonds of all Series)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

This is one of the Bonds of Series ..... described in the within mentioned Mortgage.

.....
As Trustee

By.....
Authorized Officer

and

WHEREAS, the Bonds of series other than Series A are to be substantially in the form hereinabove set forth for the Bonds of Series A, but with such omissions, insertions and variations as may be authorized and permitted by the Mortgage; and

WHEREAS, the execution and delivery of this Mortgage have been authorized by resolutions of the stockholders and of the Board of Directors of the Railroad Company, duly adopted, and are in accordance with the orders of the Court; and

WHEREAS, all acts and things prescribed by law and by the articles of incorporation and by-laws of the Railroad Company necessary to make the Bonds of Series A when executed by the Railroad Company and authenticated by the Trustee, as in the Mortgage provided, valid, binding and legal obligations of the Railroad Company, and to make the Mortgage a valid and binding mortgage and deed of trust to secure the payment of the Bonds, have been performed, and the execution and delivery of the Mortgage have been duly authorized in all respects;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of (and premium, if any) and interest on all the Bonds at any time

the City of Minneapolis, Minnesota, and having a length of approximately 491.58 miles.

Item (2) Beginning at 5th Avenue, North, in the City of Minneapolis, Minnesota, and extending in a general northwesterly direction through the counties of Hennepin, Wright, Meeker, Kandiyohi, Stearns, Pope, Douglas, Grant and Wilkin, in the State of Minnesota, and the counties of Richland, Ransom, Cass, Barnes, Stutsman, Foster, Wells, Sheridan, Pierce, McHenry, Ward, Renville and Burke, in the State of North Dakota, to a connection with Canadian Pacific Railway at the International Boundary in the Town of Portal, North Dakota, and having a length of approximately 548.56 miles.

Item (3) Beginning at a connection with the main line described in *Item (1)* of this *Group A* at 2½ Street, N. E., at Columbia Heights and extending to a connection with said main line near Central Avenue, N. E., at Hilo Junction, in the City of Minneapolis, Hennepin County, Minnesota, approximately 1.09 miles in length.

Item (4) Beginning at a connection with the main line described in *Item (1)* of this *Group A* at Cardigan Junction and extending southward to 7th Street in the City of St. Paul, all in the County of Ramsey, Minnesota, approximately 8.13 miles in length.

Item (5) Beginning at a connection with the main line described in *Item (1)* of this *Group A* at Wisconsin Junction, Wisconsin, and extending in a general southerly direction through the counties of Forest, Langlade, Shawano, Outagamie and Winnebago, in the State of Wisconsin, to a connection with the Wisconsin Central Railway at Winnebago Junction, Wisconsin, having a length of approximately 118.80 miles.

Item (6) Beginning at a connection with the main line described in *Item (1)* of this *Group A,* at Dresser Junction, in Polk County, Wisconsin, and extending in a general northerly direction through the counties of Polk, Burnett and Douglas, in the State of Wisconsin, and the counties of Pine and Carlton, in the State of Minnesota, to 28th Street in the City of Superior, Wisconsin, having a length of approximately 103.30 miles.

in the State of Minnesota, and the counties of Walsh, Ramsey, Cavalier, Towner, Rolette, Bottineau, Renville and Ward, in the State of North Dakota, to a connection with the main line described in *Item (2)* of this *Group A* at Kenmare, North Dakota, having a length of approximately 296.44 miles.

Item (13) Beginning at a connection with the main line described in *Item (12)* of this *Group A* at Fordville, North Dakota, and extending in a general westerly direction through the counties of Walsh, Grand Forks, Nelson, Ramsey, Benson, Pierce and McHenry, in the State of North Dakota, to a connection with the main line described in *Item (2)* of this *Group A* at Drake, North Dakota, having a length of approximately 130.96 miles.

Item (14) Beginning at a connection with the main line described in *Item (2)* of this *Group A* at Hankinson, North Dakota, and extending in a general westerly and northwesterly direction through the counties of Richland, Sargent, Dickey, Lamoure, Logan, McIntosh, Emmons, Burleigh and McLean, in the State of North Dakota, to a connection with the main line described in *Item (15)* of this *Group A* at Max, North Dakota, having a length of approximately 304.31 miles.

Item (15) Beginning at a connection with the main line described in *Item (14)* of this *Group A* at Max, North Dakota, and extending in a general easterly direction through the counties of McLean, Ward, McHenry and Sheridan, in the State of North Dakota, to a connection with the main line described in *Item (2)* of this *Group A* at Drake, North Dakota, having a length of approximately 48.17 miles.

Group B: Branch lines:

Item (1) Extending from a connection with the main line described in *Item (1)* of *Group A,* at Rapid River, Michigan, northward through the counties of Delta and Alger, in the State of Michigan, to a connection with the Lake Superior and Ishpeming Railroad at Eben Junction, Michigan, approximately 30.54 miles in length.

Item (11) Extending from a connection with the main line described in *Item (2)* of *Group A,* at Fairmont, North Dakota, in a general southwesterly direction through the county of Richland, in the State of North Dakota, and the counties of Roberts, Marshall and Day, in the State of South Dakota, to the end of the track at Grenville, South Dakota, approximately 83.61 miles in length.

Item (12) Extending from a connection with the main line described in *Item (14)* of *Group A,* at Wishek, North Dakota, southward and westward through the county of McIntosh, in the State of North Dakota, and the counties of McPherson and Campbell, in the State of South Dakota, to the end of the track at Pollock, South Dakota, approximately 70.32 miles in length.

Item (13) Extending from a connection with the main line described in *Item (14)* of *Group A,* at Max, North Dakota, northwestward through the counties of McLean, Ward and Mountrail, in the State of North Dakota, to the end of the track at Plaza, North Dakota, approximately 35.58 miles in length.

Item (14) Extending from a connection with the branch line described in *Item (13)* of this *Group B,* at Prairie Junction westward to the end of the track at Sanish, all in the county of Mountrail, North Dakota, approximately 32.80 miles in length.

Item (15) Extending from a connection with the main line described in *Item (2)* of *Group A,* at Flaxton, North Dakota, westward through the counties of Burke and Divide, in the State of North Dakota, and the counties of Sheridan and Daniels, in the State of Montana, to the end of the track at Whitetail, Montana, approximately 136.62 miles in length.

Group C: The undivided one-half interest of the Railroad Company in each of the following lines of railroad:

Item (1) Extending from a connection with the main line described in *Item (2)* of *Group A* at 23rd Avenue,

cipal amount of or the interest on this Bond, or change the place or the medium of payment thereof, or (ii) permit the creation by the Railroad Company of any mortgage or other lien ranking prior to or on a parity with the lien of the Mortgage or of any indenture supplemental thereto, with respect to any property covered thereby, otherwise than as permitted by the Mortgage, or (iii) effect a reduction of the percentage required for any action authorized to be taken by the holders of the Bonds, or (iv) alter or impair the obligation of the Railroad Company to pay the principal of this Bond when due.

The Bonds of Series A are entitled to the benefits of sinking fund payments out of Available Net Income, if any, as defined and made applicable for such purpose under the terms of the Mortgage, but such payments may not exceed, for any year, one-half of one percent (½ of 1%) of the aggregate principal amount of the Bonds of Series A originally authorized to be issued as aforesaid, and are not cumulative.

This Bond, or portions thereof amounting to $1,000 or multiples of $1,000, may be redeemed for the purposes of the sinking fund or at the option of the Railroad Company on any interest payment date prior to maturity, upon publication of notice of such redemption once each week for four successive weeks in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, the first publication to be not less than sixty days and not more than ninety days before the date fixed for redemption, all as provided in the Mortgage, at a redemption price equal to the principal amount to be redeemed, plus all unpaid interest on such principal amount that has become payable for prior years and interest on such principal amount from January 1 of the then current year to the date fixed for redemption, calculated at the rate of 4% per annum.

This Bond is transferable by the registered holder hereof in person (or by his attorney duly authorized in writing) at the office or agency maintained by the Railroad Company

other Bonds of this series at the time of transfer, exchange or substitution, and shall be so dated or bear such notation that neither gain nor loss in interest or in rights to interest payable by the Railroad Company shall result from any such transfer, exchange or substitution.

As provided in the Mortgage, no recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, or because of the creation of indebtedness represented hereby, or otherwise in respect hereof, or based on or in respect of the Mortgage or any indenture supplemental thereto, against any past, present or future incorporator, stockholder, officer or director, as such, of the Railroad 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 being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

This Bond shall not be valid or become obligatory for any purpose unless and until the certificate of authentication hereon shall have been signed by the Trustee under the Mortgage.

In Witness Whereof, the Minneapolis, St. Paul & Sault Ste. Marie Railroad Company has caused this Bond to be signed by its President or one of its Vice Presidents, and its corporate seal or a facsimile thereof to be affixed hereto or imprinted or engraved hereon and attested by its Secretary or an Assistant Secretary.

Dated.....

Minneapolis, St. Paul & Sault Ste. Marie Railroad Company

By.....
President

Attest:

.....
Secretary

issued and outstanding hereunder, according to their tenor and effect, and the performance and observance of the covenants and conditions contained in the Bonds and in the Mortgage, and in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the acceptance of the Bonds (and coupons, if any) by the holders thereof, and of the sum of One Dollar in hand paid by the Trustee to the Railroad Company upon the execution and delivery of the Mortgage, receipt whereof is hereby acknowledged, and pursuant to the order of the Court in the aforesaid reorganization proceedings dated August 17, 1944, the Railroad Company has granted, bargained, sold, conveyed, released, confirmed, mortgaged, pledged, assigned, transferred and set over, and by these presents does grant, bargain, sell, convey, release, confirm, mortgage, pledge, assign, transfer and set over, unto the Trustee, and to its successors in the trust, and its and their assigns forever, subject to the terms of the Mortgage, all and singular the following described property, rights, privileges and franchises of the Railroad Company:

First. All of the Railroad Company's right, title and interest in and to all and singular the lines of railroad now owned by the Railroad Company, including specifically but not exclusively the following:

Group A: Main lines:

Item (1) Beginning at Fourth Avenue in the City of Sault Ste. Marie, Michigan, and extending in a general southwesterly direction through the counties of Chippewa, Mackinac, Schoolcraft, Delta and Menominee, in the State of Michigan, the counties of Marinette, Forest, Oneida, Lincoln, Price, Rusk, Barron and Polk, in the State of Wisconsin, and the counties of Washington, Ramsey, Anoka and Hennepin, in the State of Minnesota, to a connection with the main line described in *Item (2)* of this *Group A* at 40th Avenue, North, at Camden Place in

Item (7) Beginning at a connection with the Wisconsin Central Railway at 12th Street Junction and extending to Interstate Bridge, in the City of Superior, Douglas County, Wisconsin, approximately 1.89 miles in length.

Item (8) Beginning at the Interstate Bridge and extending to the 10th Avenue Freight House in the City of Duluth, St. Louis County, Minnesota, approximately 1.39 miles in length.

Item (9) Beginning at a connection with the main line described in *Item (2)* of this *Group A*, in Brooten, Minnesota, and extending in a general northeasterly direction through the counties of Stearns, Morrison, Mille Lacs, Aitkin, Pine, Carlton and St. Louis, in the State of Minnesota, and the county of Douglas, in the State of Wisconsin, to a connection with the main line described in *Item (6)* of this *Group A* at Boylston Junction, Minnesota, having a length of approximately 175.89 miles.

Item (10) Beginning at a connection with the main line described in *Item (9)* of this *Group A* at Moose Lake, Minnesota, and extending in a general northwesterly direction through the counties of Carlton, Aitkin, Cass, Hubbard, Beltrami, Clearwater, Polk and Red Lake, in the State of Minnesota, to a connection with the main line described in *Item (11)* of this *Group A* at Plummer, Minnesota, having a length of approximately 192.29 miles.

Item (11) Beginning at a connection with the main line described in *Item (2)* of this *Group A* at Glenwood, Minnesota, and extending in a general northerly direction through the counties of Pope, Douglas, Ottertail, Becker, Mahnomen, Polk, Red Lake, Pennington, Marshall and Kittson, in the State of Minnesota, to a connection with Canadian Pacific Railway Company at the International Boundary at Noyes, Minnesota, having a length of approximately 265.05 miles.

Item (12) Beginning at a connection with the main line described in *Item (11)* of this *Group A* at Dakota Junction, Minnesota, and extending in a general westerly direction through the counties of Pennington and Marshall

Item (2) Extending from a connection with the main line described in *Item (5)* of *Group A* at North Wye to the end of the track in the City of Appleton, Outagamie County, Wisconsin, approximately 1.07 miles in length.

Item (3) Extending from a connection with the main line described in *Item (1)* of *Group A*, at Cameron, northward to Rice Lake, all in the county of Barron, Wisconsin, approximately 6.68 miles in length.

Item (4) Extending from a connection with the main line described in *Item (1)* of *Group A*, at Barron, southward to the end of the track at Ridgeland, all in the counties of Barron and Dunn, Wisconsin, approximately 18.52 miles in length.

Item (5) Extending from a connection with the main line described in *Item (6)* of *Group A*, at Summit northwestward to St. Croix Falls, all in the county of Polk, Wisconsin, approximately 2.04 miles in length.

Item (6) Extending from a connection with the main line described in *Item (6)* of *Group A* at Baxter Avenue to a connection with the Northern Pacific Railway at 43d Street, all in the City of Superior, Douglas County, Wisconsin, approximately 0.68 miles in length.

Item (7) Extending from a connection with the main line described in *Item (10)* of *Group A* at Lawler to the end of the track at East Lake, in Aitkin County, Minnesota, approximately 6.51 miles in length.

Item (8) Extending from a connection with the main line described in *Item (10)* of *Group A* to a connection with the Northern Pacific Railway, all in the Town of McGregor, Aitkin County, Minnesota, approximately 0.06 miles in length.

Item (9) Extending from Ironton to Crosby, in Crow Wing County, Minnesota, approximately 1 mile in length.

Item (10) Extending from a connection with the main line described in *Item (12)* of *Group A* at Egeland northwestward to the end of the track at Armourdale, all in the county of Towner, North Dakota, approximately 21.88 miles in length.

North, to a connection with the same main line at 34th Avenue, North, all in the City of Minneapolis, Hennepin County, Minnesota, approximately .88 miles in length.

Item (2) Extending from Fourth Avenue to Portage Avenue, in the City of Sault Ste. Marie, Chippewa County, Michigan, owned jointly with The Duluth, South Shore and Atlantic Railway Company and approximately 1.71 miles in length.

Item (3) Extending from a connection with the main line described in *Item (10)* of *Group A* at Minnesota Avenue to a connection with the same main line at Bemidji Avenue, all in the City of Bemidji, Beltrami County, Minnesota, approximately .19 miles in length.

Item (4) Extending from a connection with the Northern Pacific Railway at the Depot in Deerwood to Cuyuna Range Mines, all in Crow Wing County, Minnesota, owned jointly with the Northern Pacific Railway Company and approximately 21.51 miles in length.

Group D: Second Tracks:

All tracks owned by the Railroad Company or in which it has an interest and commonly designated as second track and used as a part of or in connection with any of the lines of railroad above described in *Groups A, B* and *C*, having at the date hereof an aggregate length of approximately 13.46 miles.

Group E: Other Tracks:

All spur, side, industrial, switch, connecting, storage, yard, terminal, passing and shop tracks and turnouts owned by the Railroad Company or in which it has an interest and used or provided for use in connection with any of the lines of railroad and tracks above described in *Groups A, B, C* and *D*, having at the date hereof an aggregate length of approximately 614.89 miles.

Second. All of the Railroad Company's right, title and interest in and to all tracts and parcels of land, easements, rights of way and other real property and interests in real

property of whatever kind or description now owned by the Railroad Company lying and being in any of the states and counties mentioned in clause FIRST above.

THIRD. Any and all tracks, easements, rights of way, lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, now owned by the Railroad Company, including in the property comprised in the description of this granting clause any and all main, branch, cut-off, spur, industrial, switch, connecting, storage, yard or terminal tracks, rights of way, easements, estates, superstructures, roadbeds, bridges, trestles, culverts, viaducts, buildings, depots, stations, stock yards, warehouses, elevators, car houses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph and telephone lines, fences, docks, structures and fixtures, and all other property of whatever kind and in any wise belonging to the Railroad Company, or in any wise used or useful in connection with any of its lines of railroad or other real property subject to the lien of the Mortgage.

FOURTH. All right, title and interest of every name and nature, legal or equitable, of the Railroad Company in and to all mechanical equipment, machinery, tools, implements, furniture, supplies, materials, and other chattels now owned by or at any time hereafter acquired by the Railroad Company.

FIFTH. All estate, right, title and interest of every kind and nature, legal or equitable, of the Railroad Company in and to locomotives however propelled or operated, passenger, freight, mail, express, baggage or other railway cars, derricks and other work equipment or cars, buses, trucks, automobiles and other automotive machines, airplanes, vessels, boats, tugs, lighters, floats, barges and ferries, and any and all other vehicles which may be used for the transportation of freight, mail, express, baggage or material or for the carriage of passengers or employees of the Railroad Com-

SEVENTH. All of the Railroad Company's estate, right, title, interest, terms and remainders of terms, franchises, privileges and rights of action of whatsoever name and nature in law or in equity in and to the following principal trackage, terminal or operating contracts or agreements or leases, and all amendments, supplements, extensions and renewals thereof:

(1) With Canadian Pacific Railway Company, dated September 1, 1944, covering traffic interchange, maintenance of joint through rates and fares, and division of revenues.

(2) With Northern Pacific Railway Company and Great Northern Railway Company, dated November 12, 1929, for an indefinite period, covering the pooling of passenger train service between Minneapolis, St. Paul and Duluth, Minnesota, and Superior, Wisconsin, subject to termination by either party upon six months' written notice.

(3) With Wisconsin Central Railway Company, dated December 3, 1932, as amended and supplemented on July 1, 1937, November 10, 1937, and April 15, 1944, covering the operation of properties of Wisconsin Central Railway Company and the use of certain terminal facilities at Duluth, Minnesota, and Superior, Neenah and Menasha, Wisconsin, subject to termination by either party upon six months' written notice.

(4) With Sault Ste. Marie Bridge Company, dated October 29, 1940, as amended on April 11, 1942, for an indefinite period, covering the use of railway and bridge facilities at Sault Ste. Marie, Michigan, subject to termination by either party upon 90 days' written notice.

(5) With Sainte Marie Union Depot Company (one-half of the outstanding capital stock of which company is owned by the Railroad Company and deposited and pledged with the trustee under the First Mortgage) covering the use of station facilities at Sault Ste. Marie, Michigan.

extended indefinitely in 1934, covering trackage rights between 20th Avenue, South, and 4th Avenue, North, in Minneapolis, Minnesota.

(12) With Northern Pacific Railway Company, dated November 1, 1909, as amended and supplemented on September 9, 1912, for a term of 99 years, covering trackage rights between 4th Avenue, North, and 14th Avenue, North, in Minneapolis, Minnesota.

(13) With The Duluth & Superior Bridge Company, dated October 30, 1909, and May 31, 1938, covering the use of the Interstate Bridge between Duluth, Minnesota, and Superior, Wisconsin, in perpetuity.

(14) With Northern Pacific Railway Company and Chicago, St. Paul, Minneapolis & Omaha Railway Company, dated January 1, 1910, covering certain trackage rights ("Commerce Tracks") in Duluth, Minnesota, in perpetuity.

(15) With Northern Pacific Railway Company, dated March 1, 1920, for an indefinite period, covering use of tracks from 15th Avenue West to Garfield Avenue in Duluth, Minnesota, subject to cancellation on thirty (30) days' written notice by either party.

(16) With Great Northern Railway Company, Northern Pacific Railway Company and Chicago, St. Paul, Minneapolis and Omaha Railway Company, dated January 30, 1939, for an indefinite period, covering use of trackage serving Pittsburgh Dock No. 7 in Duluth, Minnesota, subject to termination on six months' written notice by one or more of the parties to the other parties.

(17) With Northern Pacific Railway Company, dated April 15, 1929, for a term of 99 years, covering trackage rights between Deerwood and McGregor, Minnesota, and the use of certain ore yard and dock facilities at Superior, Wisconsin.

EIGHTH. All of the Railroad Company's estate, right, title, interest, terms and remainders of terms, franchises, privileges and rights of action of whatsoever name and nature in law

lines of railroad or for use upon or in connection with any other property, real or personal, which may at the time be subject to the lien of the Mortgage, or (c) shall be acquired in whole or in part by the use of Bonds issued under the Mortgage or moneys deposited with the Trustee under any provision of the Mortgage; or (d) by any provision of the Mortgage the Railroad Company is required to convey, mortgage, pledge, assign or transfer to the Trustee hereunder; provided, however, that if the Railroad Company shall acquire substantially all of the properties of any Class I Carrier (as defined in Article I), such properties shall be subject to the lien of the Mortgage only to the extent and under the conditions provided in Article IX.

TWELFTH. Any and all property of every kind and description, in addition to that above described, which, at any time hereafter, by indenture or indentures supplemental hereto, or other instruments of transfer, may be expressly conveyed, mortgaged or pledged, delivered, assigned or transferred to the Trustee hereunder by the Railroad Company or by a successor corporation, or with its consent by anyone in its behalf, as and for additional security or substitute security for the Bonds issued and to be issued hereunder, the Trustee being hereby authorized at any time and at all times to receive such conveyance, mortgage, pledge, delivery, assignment or transfer and to hold and apply any and all such properties subject to the trusts of the Mortgage; provided that any such conveyance, mortgage, pledge, delivery, assignment or transfer made pursuant to the provisions of this granting clause TWELFTH as and for additional security or substituted security may be made subject to any liens, reservations, limitations, conditions and provisions, consistent with the provisions of the Mortgage, which shall be specified or set forth in such supplemental indenture or instrument of transfer.

THIRTEENTH. Any and all other property of every kind and description, real, personal or mixed, acquired by the Railroad

(1) The word "property" shall be deemed to include property of every kind and description, whether real, personal, or mixed, whether tangible or intangible, and whether of present or future interests;

(2) The "Railroad Company's lines of railroad" shall be deemed to include any main or branch or cut-off lines of railroad, and any and all main, branch, second, spur, side, industrial, switch, connecting, storage, yard, terminal, passing and shop tracks and turnouts, which the Railroad Company may own, either solely or jointly, or over which the Railroad Company may operate or have any right to operate under any lease or trackage agreement;

(3) Out of the grants hereby made, the last day of the term of each leasehold estate (whether created orally or by written instrument) now or hereafter enjoyed by the Railroad Company is hereby excepted and reserved, whether falling within the general or particular description of property herein described.

(4) It is not intended to subject to the lien hereof, and this grant shall not be deemed to apply to,

(a) bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money, and stock certificates and other evidences of a proprietary interest in a corporation or other analogous legal entity, which are now owned or hereafter acquired or possessed by the Railroad Company, unless the same or the proceeds thereof are hereby, or hereafter shall be, specifically pledged and deposited with the Trustee or required so to be, or unless the same are subject to the lien of the Mortgage by the foregoing granting clause SIXTEENTH;

(b) any of the property and franchises of any other corporation of whatever character, any securities whereof may be now owned or hereafter acquired or possessed by the Railroad Company, notwithstanding the fact that the Railroad Company may own or hereafter acquire all or substantially all the securities issued by any such corporation or that any such corporation may be incorporated or organized at the instance of or for the account of the Railroad Com-

which shall prevail over any other provision of the Mortgage in the event of any inconsistency therewith:

(a) Subject to the limitations of Article IX, the provisions of the Mortgage which may reasonably be construed to subject to the lien of the Mortgage property which may be acquired hereafter by the Railroad Company, or in which the Railroad Company hereafter may acquire an interest, shall be construed as applying to such property, and a liberal scope and effect shall be given to such provisions.

(b) Nothing in the Mortgage, expressed or implied, is intended or shall be construed to limit the right or power of the Railroad Company, which is hereby expressly reserved, to acquire any property or interest therein subject to the liens or charges existing thereon at the time of the acquisition thereof, or to create any purchase money mortgage thereon, or to extend the terms of or to refund any such lien or charge or purchase money mortgage.

(c) Nothing in the Mortgage, expressed or implied, is intended or shall be construed to limit the right of the Railroad Company, which is hereby expressly reserved, to consolidate with, merge into, or to convey or lease the mortgaged property as a whole, or substantially as a whole, to another corporation or corporations, or to merge another corporation or corporations into the Railroad Company, or to acquire the property, as a whole or substantially as a whole, of another corporation or corporations, all as provided and with the exceptions and upon the terms and conditions set forth in Article IX hereof.

(d) Nothing in the Mortgage, expressed or implied, is intended or shall be construed to limit the right or power of the Railroad Company, which is hereby expressly reserved, to subject Equipment constructed or acquired for its use, at any time within one (1) year from the date the same is so constructed or acquired, to any Equipment Trust Obligation which the Railroad Company may desire to create or undertake for the purpose of funding the cost of such construction or acquisition, provided such Equipment, to the extent it has been acquired or con-

pany, now owned by or at any time hereafter acquired by the Railroad Company, and any and all additions, betterments and improvements thereto, including all right, title and interest now or hereafter vested in the Railroad Company in and to any and all such property leased to or possessed by the Railroad Company under any Equipment Trust Obligation.

SIXTH. The following shares of capital stock of other corporations now owned by the Railroad Company and delivered to the Trustee upon the execution and delivery of the Mortgage:

Name of Company	Par Value Per Share	No. of Shares	Total Par Value
The Belt Railway Company of Chicago	$100	2,400	$ 240,000
Tri-State Land Company	100	25,000	2,500,000

and the balance due to the Railroad Company on a claim of the Debtor against Railroad Credit Corporation under the marshalling and distributing plan of said Railroad Credit Corporation and, subject to the prior lien of the Railroad Company's First Mortgage, the following shares:

Name of Company	Par Value Per Share	No. of Shares	Total Par Value
Minnesota Transfer Railway Company	$100	913	$ 91,300
Railway Express Agency, Inc.	No Par	6	No Par
The Saint Paul Union Depot Company	100	1,036	103,600
Sainte Marie Union Depot Company	100	375	37,500
Sault Ste. Marie Bridge Company	100	2,500	250,000
Western Express Company	100	500	50,000

(6) With Manistique and Lake Superior Railroad, dated March 15, 1917, as amended and supplemented on April 19, 1930 and March 14, 1942, for an indefinite period, for use of certain tracks at Manistique, Michigan, subject to termination by either party on six months' written notice.

(7) With Northern Pacific Railway Company, dated November 1, 1909, as amended and supplemented on August 1, 1912, September 22, 1913, June 10, 1923, June 30, 1924, and October 11, 1934, for an indefinite period, covering trackage rights between Soo Line Junction and 3rd Street, in St. Paul, Minnesota, subject to termination by either party upon six months' written notice.

(8) With The St. Paul Union Depot Company, dated December 18, 1916, as amended and supplemented on December 27, 1918, November 2, 1923, January 5, 1940, and October 1, 1941, for a term of 99 years, covering the use of passenger station and transfer facilities at St. Paul, Minnesota.

(9) With Chicago, Milwaukee, St. Paul & Pacific Railroad Company and Chicago, St. Paul, Minneapolis & Omaha Railway Company, dated November 15, 1909, and November 9, 1921, for an indefinite period, covering trackage rights between Sibley Street and Chestnut Street in St. Paul, Minnesota, subject to termination by either party upon 90 days' written notice.

(10) With Chicago, Milwaukee, St. Paul & Pacific Railroad Company, dated November 1, 1909, as amended and supplemented on December 28, 1923, and November 2, 1934, for an indefinite period, covering the use of passenger station facilities at Minneapolis, Minnesota, and trackage rights between Minneapolis, Minnesota, and Chestnut Street in St. Paul, Minnesota, subject to termination by either party upon six months' written notice.

(11) With Minneapolis & St. Louis Railroad Company, dated October 1, 1912, for a term of 25 years, but

or in equity in and to any and all other leases, leasehold rights, joint facilities and other trackage contracts, rights and privileges and amendments and renewals and extensions thereof, not specifically described in granting clause SEVENTH, now owned or hereafter acquired by the Railroad Company in connection with or relating to the ownership, use or operation by the Railroad Company of any of its lines of railroad, or any terminals or union or other stations, situated along, or at the terminus of, any of the Railroad Company's lines of railroad.

NINTH. Any and all right, title and interest of every name and nature of the Railroad Company in and to any and all telegraph, telephone or other communication facilities now owned by or hereafter acquired by the Railroad Company; and the rights and agreements covering the rights to the use of any and all telegraph, telephone or other communication facilities along the Railroad Company's lines of railroad, as they may be used from time to time or subject to use by the Railroad Company.

TENTH. Any and all corporate rights, powers, franchises, privileges and immunities now or hereafter owned or possessed by the Railroad 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 Railroad Company's lines of railroad or of any other property now or hereafter subject to the lien of the Mortgage.

ELEVENTH. Any and all property of every kind and description which may hereafter be acquired by the Railroad Company and which (a) shall be acquired in replacement of or substitution for any property now owned by the Railroad Company and subject to the lien of the Mortgage or which may at any time become subject to the lien of the Mortgage, or (b) shall be appurtenant to or acquired for use upon or in connection with any of the Railroad Company's

Company from the Debtor and G. W. Webster and Joseph Chapman, as trustees of the Debtor's property, or in which the Railroad Company now has any right, title or interest.

FOURTEENTH. Any and all property which may now or at any time hereafter be subject to the lien of the Railroad Company's First Mortgage, it being the intention that the Mortgage shall constitute a lien junior to the lien of the First Mortgage on any and all property which may at any time be subject to the lien of said First Mortgage, except the securities and claim specifically pledged with the Trustee under the Mortgage and upon which the Mortgage has a lien prior to the lien of the First Mortgage, and except moneys held in trust by the Trustee under any of the provisions of the Mortgage.

FIFTEENTH. All rents, issues, tolls, profits and other income from the premises and property herein or hereafter mortgaged, and conveyed or assigned, or intended so to be.

SIXTEENTH. All bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money and all stock certificates and other evidences of proprietary interest in a corporation or other analogous legal entity at any time pledged or deposited under any provision of a mortgage or lien prior to the lien of the Mortgage, and all cash at any time held thereunder (save and except moneys held in trust for the redemption or retirement of bonds issued thereunder), shall be and be deemed to be subject to the lien of the Mortgage and to have been pledged, deposited or held, as the case may be, hereunder subject to such prior lien; and upon cancellation and release of such prior lien shall (unless required to be deposited, pledged or held under another lien prior to the lien of the Mortgage) be delivered over to the Trustee and thereafter held by it subject to the terms of the Mortgage as if pledged, deposited or paid over to the Trustee in the first instance.

For the purposes of the foregoing granting clauses FIRST to SIXTEENTH, inclusive:

pany; provided that nothing herein shall be deemed to diminish the lien hereof, or any rights arising under the lien hereof, upon any stocks or securities of any such corporation which may hereafter be specifically mortgaged and pledged hereunder or required so to be;

(c) properties of any other corporation constituting a Class I Carrier (as defined in Article I) acquired by the Railroad Company, except to the extent and under the conditions provided in Article IX.

(5) It is not intended to subject to the lien hereof, and this grant shall not be deemed to apply to

(a) any rents, issues, tolls, profits or other income of the premises and property herein or hereafter mortgaged and conveyed or assigned, or

(b) any cash, government securities, federal, state and local, or bills, notes or accounts receivable (except cash, government securities or bills, notes or accounts receivable deposited or required to be deposited with the Trustee pursuant to any of the provisions of the Mortgage), or

(c) any materials or supplies, or

(d) such shares of common stock of Wisconsin Central Railway Company as the Railroad Company shall be required to supply for distribution to the holders of the Twenty-five Year Five and One-half Per Cent. Gold Notes of the Debtor pursuant to the order of the court in the aforesaid reorganization proceedings dated August 17, 1944,

unless and until one or more of the Events of Default enumerated in Section 2 of Article XIII hereof shall have occurred; but, upon the occurrence of any such Event of Default, all such rents, issues, tolls, profits and other income, cash, government securities, bills, notes and accounts receivable and materials and supplies shall immediately become subject to the lien hereof to the extent permitted by law.

(6) The provisions of the Mortgage, including those in the foregoing granting clauses FIRST to SIXTEENTH, inclusive, shall be construed, and the lien of the Mortgage at any time shall be determined, in conformity with the following grants, restrictions, and rules of construction,

structed by expenditures from the Capital Fund, shall not be subjected to any Equipment Trust Obligation, and provided further that such Equipment has not theretofore been made the basis for the authentication and delivery of any Bonds or First Mortgage Bonds or the withdrawal of cash held by the Trustee of the Mortgage under any provision thereof or by the trustee of the First Mortgage under any provision thereof. The right, charge, lien or title of any such Equipment Trust Obligation with respect to Equipment subjected thereto as aforesaid shall in all respects be free from and prior to the lien of the Mortgage; and the lien of the Mortgage shall attach only to the right, title and interest of the Railroad Company then or thereafter existing with respect to such Equipment, as provided in granting clause FIFTH.

(e) Nothing in the Mortgage, expressed or implied, is intended or shall be construed to limit the right or power of the Railroad Company, which is hereby expressly reserved, to use and apply any of its materials and supplies in the routine maintenance and repair of railroad equipment, whether owned by the Railroad Company or by any other railroad, after one or more Events of Default enumerated in Section 2 of Article XIII hereof shall have occurred and be continuing.

(f) Nothing in the Mortgage, expressed or implied, is intended or shall be construed to require the deposit with the Trustee of any securities, or of any instruments of the character referred to in granting clauses SEVENTH, EIGHTH, and NINTH, except such securities and instruments as are by the terms of the Mortgage specifically required to be so deposited.

TO HAVE AND TO HOLD the premises, railroads, railroad property, appurtenances, rights, privileges, franchises, estates, leaseholds, securities and other property, real, personal and mixed, hereby mortgaged, pledged, conveyed, assigned or transferred, or intended so to be, or which may in any manner become subject to the lien of the Mortgage by indentures supplemental hereto or otherwise (all of which property at any

given time subject to the lien of the Mortgage, whether by the terms of the Mortgage, including the after-acquired property clauses thereof, or by subsequent conveyance, delivery or pledge to the Trustee, or otherwise, is herein sometimes referred to as the "mortgaged property");

SUBJECT, HOWEVER, to the following:

(1) The prior lien of the Railroad Company's First Mortgage, as defined in Article I, upon all of the mortgaged property, except the securities and claim specifically pledged and deposited with the Trustee under the Mortgage and upon which the Mortgage has a lien prior to the lien of the First Mortgage, and except moneys held in trust by the Trustee under any of the provisions of the Mortgage.

(2) The prior rights, charges, lien and title under the following Equipment Trust Obligations assumed by the Railroad Company in accordance with the Plan and the orders of the Court covering the following described Equipment:

(a) Conditional Sale Contract, dated June 8, 1940, between Pullman-Standard Car Manufacturing Company and G. W. Webster and Joseph Chapman, as trustees of the Debtor's estate, covering the following equipment:

100 50-foot, 50-ton capacity auto box cars, numbered (even numbers only) 76000 to 76198, both inclusive.

400 40-foot, 6-inch, 50-ton capacity box cars, numbered (even numbers only) 42800 to 43598, both inclusive.

(b) Conditional Sale Contract, dated September 17, 1940, between Pullman-Standard Car Manufacturing Company and G. W. Webster and Joseph Chapman, as trustees of the Debtor's estate, covering the following equipment:

250 40-foot, 6-inch, 50-ton capacity box cars numbered (even numbers only) 43600 to 44098, both inclusive.

(c) Conditional Sale Contract, dated February 11, 1941, between Pullman-Standard Car Manufactur-

ARTICLE I

DEFINITIONS

The terms defined in this Article (unless otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified in this Article for all purposes of the Mortgage.

(1) "Application" shall mean a letter or other instrument in writing dated and signed, not more than 30 days prior to its delivery to the Trustee, by the President or a Vice President of the Railroad Company and by either (a) the Secretary or an Assistant Secretary of the Railroad Company, or (b) the Chief Accounting Officer of the Railroad Company, setting forth briefly the nature of the matter or action covered by the application, referring to the particular provision or provisions of the Mortgage upon which the application is based, and enumerating the resolutions, certificates, opinions, securities, cash, instruments of transfer and other papers and documents or property delivered or to be delivered to the Trustee with or in connection with such application.

(2) "Additions and Betterments" shall mean all physical additions to or extensions, betterments or improvements of the property of the Railroad Company becoming subject to the lien of the Mortgage, or located on any leasehold that is subject to the lien of the Mortgage, which are acquired or constructed by the Railroad Company after the date of the execution and delivery of the Mortgage, the expenditures for which, at the time of acquisition or construction, are properly chargeable to Capital Accounts, except such physical additions, extensions and improvements:

(a) As are acquired through donations or grants.

(b) As are or have been security by lien or otherwise for any Equipment Trust Obligation.

regulatory body having jurisdiction, may be made in whole or in part in the accounts of any subsequent year or years; and in determining Available Net Income for any year any such entries made in the accounts of that year to adjust entries in the income accounts of prior years, whether cleared through income or profit and loss accounts, shall be treated as items affecting the income accounts for the year in which they are entered on the books.

(c) All computations of Available Net Income shall be made on a calendar year basis and each calendar year shall constitute an income period.

(4) "Board of Directors" shall mean the Board of Directors of the Railroad Company as from time to time constituted or, except when the vote of a specified percentage or number of the whole Board of Directors is required, any executive committee or other committee of the Board of Directors which shall be authorized by resolution of the Board of Directors or by the by-laws of the Railroad Company to act in place of the Board of Directors during any period or for any purpose germane to the Mortgage.

(5) "Bonded," when used with reference to Bonds, Additions and Betterments, Expenditures for Additions and Betterments or Net Expenditures for Additions and Betterments shall mean that such Bonds, Additions and Betterments or Expenditures have been made the basis by the Railroad Company for (a) the authentication and delivery of any Bonds or First Mortgage Bonds, (b) the reduction of the amount of cash required to be deposited with the Trustee for the release of any property from the lien of the Mortgage or with the trustee of the First Mortgage for the release of any property from the lien of the First Mortgage, or (c) the withdrawal, payment or application of any cash held by the Trustee under any provision of the Mortgage or by the trustee of the First Mortgage under any provision thereof; and,

by the trustees of the Debtor in the reorganization proceedings above mentioned, in accordance with the Uniform System of Accounts:

Account 701—Road and Equipment Property
Account 702—Improvements on Leased Property, and
Account 705—Miscellaneous Physical Property.

(9) "Capital Fund" shall mean the fund created and maintained by the Railroad Company in accordance with the provisions of Article V.

(10) "Chief Accounting Officer" shall mean, as of any particular time, the officer having general supervision over the accounts of the Railroad Company or his principal assistant.

(11) "Class I Carrier" shall mean any common carrier corporation which, for the calendar year next preceding the time of any transaction requiring a determination thereof under any provision of the Mortgage, had gross operating revenue, determined in accordance with the Uniform System of Accounts, of more than One Million Dollars.

(12) "Daily Newspaper" shall mean, with respect to any City or Borough, a newspaper printed in the English language and customarily published on each business day and of general circulation in such City or Borough.

(13) "Engineer" shall mean, as of any particular time, the Chief Engineer of the Railroad Company or his principal assistant.

(14) "Engineer's Certificate" shall mean a certificate signed and verified by the Engineer.

(15) "Equipment" shall mean locomotives, however propelled or operated, passenger, freight, mail, express, baggage or other railway cars, work cars, buses, tractors, trailers, trucks, automobiles, aircraft, boats, vessels, tugs, lighters,

(22) "Mortgage" shall mean this indenture as originally executed or as the same may be supplemented, modified or amended from time to time by any indenture supplemental hereto.

(23) "Net Expenditures for Additions and Betterments" shall mean, with respect to any period of time, the aggregate Expenditures for Additions and Betterments during such period, minus (a) the aggregate amounts required by the Uniform System of Accounts to be credited to Capital Accounts by reason of the retirement of any property replaced by property for or in respect of which any such expenditures shall have been made, and (b) the aggregate Expenditures for Additions and Betterments representing or resulting from the use of the proceeds of any insurance on any part of the mortgaged property retired and not replaced.

(24) "Officers' Certificate" shall mean a certificate which is signed and verified by the President or a Vice President and by the Chief Accounting Officer of the Railroad Company.

(25) "Opinion of Counsel" shall mean a written opinion of counsel who shall be satisfactory to the Trustee and who may be counsel for the Railroad Company.

(26) "Outstanding Bonds" shall mean, as of any particular date, all Bonds of all series, whether in the form of coupon Bonds or registered Bonds without coupons or both, authenticated and delivered by the Trustee under the Mortgage except

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any agency satisfactory to the Trustee, provided that if such Bonds are to be redeemed notice of such redemption shall have

of any franchise, grant, license or permit or by any provision of law to terminate such franchise, grant, license or permit, or to purchase or appropriate or recapture, or to designate a purchaser of, any of the mortgaged property; or to demand and collect any tax or other compensation for the use of streets or other public places or to control or regulate the mortgaged property.

(d) Any obligation or duty affecting the mortgaged property, or the uses, removal, control or regulation thereof by any public authority, under any franchise, grant, license or permit or provision of law.

(e) Rights of lessees under leases from the Railroad Company or any Qualified Subsidiary, and interests of others than the Railroad Company or any Qualified Subsidiary in property owned jointly or in common.

(f) Easements, rights of way, exceptions, reservations, restrictions, conditions, limitations, covenants, adverse rights or interests and any other defects or irregularities in title affecting the mortgaged property which do not materially affect the use of the mortgaged property for the purposes for which it is held by the Railroad Company or any Qualified Subsidiary, as the case may be, and may be properly ignored as to their effect upon the security of the Mortgage. Any Opinion of Counsel required by the Mortgage may recite that, as to the matters covered by this clause (f), it is based upon a written statement of the Engineer.

(g) The lien of the First Mortgage.

(28) "Prior Lien" shall mean any lien prior to the lien of the Mortgage, except Equipment Trust Obligations and Permitted Encumbrances, existing at any time on any property subject to the lien of the Mortgage.

(29) "Prior Lien Bonds" shall mean any indebtedness or obligation secured by a Prior Lien.

(30) "Qualified Subsidiary" shall mean any corporation owning one or more lines of railroad, bridges or railroad terminals connected directly, or by leasehold rights, track-

ing Company and G. W. Webster and Joseph Chapman, as trustees of the Debtor's estate, covering the following equipment:

100 53-foot, 6-inch, 50-ton capacity flat cars numbered (odd numbers only) 5201 to 5399, inclusive.

(d) Conditional Sale Contract, dated June 27, 1941, between Pullman-Standard Car Manufacturing Company and G. W. Webster and Joseph Chapman, as trustees of the Debtor's estate, covering the following equipment:

200 40-foot, 6-inch, 50-ton capacity box cars numbered (even numbers only) 44100 to 44498, inclusive.

50 50-foot, 50-ton capacity auto-box cars numbered (even numbers only) 76200 to 76298, inclusive.

(3) All and singular the other matters hereinabove set forth in the granting clauses hereof and to matters of the nature described in clauses (a) to (f) of Permitted Encumbrances as defined in Article I;

BUT IN TRUST, NEVERTHELESS, upon the terms and trusts of the Mortgage, for the equal and proportionate benefit and security, except as provided in Section 1 of Article XIII hereof, of all present and future holders of Bonds and coupons, according to their tenor, purport and effect, without preference, priority or distinction (except as provided in Section 1 of Article XIII hereof) as to lien or otherwise; so that (except as aforesaid) each and every Bond and coupon shall have the same right, lien and privilege under the Mortgage and shall be equally and proportionately secured thereby in accordance with the provisions of the Mortgage;

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds and coupons for interest thereon, if any, are to be issued, authenticated and delivered, and that the mortgaged property is to be held and disposed of by the Trustee, upon and subject to the following covenants, conditions, uses and trusts:

(c) As are subject to any Prior Lien.

(d) As are located on any leasehold subject to the lien of the Mortgage unless the lease by its terms expires subsequent to the date of maturity of the latest maturing Bonds then outstanding or Bonds for the authentication and delivery of which application is then being made, and unless the Railroad Company has the right to be reimbursed for expenditures for or to remove such additions, extensions, betterments or improvements upon termination of the lease and all of the Railroad Company's interest in such lease (except the last day of the term thereof), including any such right of reimbursement, has been pledged with the Trustee.

(3) "Available Net Income" for any year shall mean the "income after fixed charges" of the Railroad Company, or of the trustees of the Debtor appointed in the reorganization proceedings hereinabove referred to, for such year, subject to the following:

(a) "Income after fixed charges" shall be determined in accordance with the Uniform System of Accounts applicable to such year, except that each amount charged to operating expenses during such year on account of any non-depreciable property retired and not replaced shall be reduced by an amount which bears the same ratio to the amount so charged as the portion of the Service Life of such property prior to the date of the execution and delivery of the Mortgage bears to the total Service Life of such property.

(b) In determining income after fixed charges for any year any adjustment necessary to correct the income account for any prior year, whether before or after January 1, 1944, shall be made by appropriate entries and may be made either in the accounts of the current year (unless in violation of the applicable orders, instructions and regulations) or, in the discretion of the Board of Directors and subject to any requisite approval of the Interstate Commerce Commission or other public

when used with reference to Qualified Subsidiary Stocks, Qualified Subsidiary Bonds or Investment Securities (as defined in Section 6 of Article III), or any securities acquired in substitution therefor, shall mean that such Stocks, Bonds or Securities, or any securities acquired in substitution therefor, have been made the basis by the Railroad Company for (a) the authentication and delivery of any Bonds or First Mortgage Bonds, or (b) the withdrawal, payment or application of any cash held by the Trustee under any provision of the Mortgage, or by the trustee of the First Mortgage under any provision thereof.

All of the mortgaged property owned by the Railroad Company on the date of the execution and delivery of the Mortgage shall for all purposes of the Mortgage be deemed to have been Bonded on that date.

If any Net Expenditures for Additions and Betterments, Qualified Subsidiary Stocks, Qualified Subsidiary Bonds or Investment Securities, made the basis for any of the foregoing purposes, shall be in excess of the amount required for the particular purpose, such excess shall not be deemed to be Bonded.

(6) "Bondholders" shall mean, as of any particular date, all holders of coupon Bonds not registered as to principal and all registered owners of coupon Bonds registered as to principal and of registered Bonds without coupons, provided such Bonds, whether coupon or registered, are Outstanding Bonds.

(7) "Bonds" shall mean all bonds of all series which have been authenticated and delivered at any time under the Mortgage.

(8) "Capital Accounts" shall mean the following present accounts, or similar accounts performing the functions of said present accounts, maintained by the Railroad Company and

floats, barges, ferries and any and all other vehicles and conveyances used for the transportation of passengers, employees, freight, mail, express, baggage and materials by land, air or water.

(16) "Equipment Trust Obligation" shall mean with respect to the Railroad Company any obligation of the Railroad Company (other than Bonds and First Mortgage Bonds), and with respect to a Qualified Subsidiary any obligation of such Subsidiary, issued under, and secured by a right, charge, lien or title with respect to Equipment evidenced by, an equipment trust agreement, conditional sale agreement, rental agreement, lease, chattel mortgage or other such instrument.

(17) "Expenditures for Additions and Betterments" shall mean, with respect to Additions and Betterments, the expenditures therefor of the Railroad Company, properly charged to Capital Accounts; and, with respect to any period of time, the aggregate of such expenditures during such period.

(18) "Event of Default" shall mean any event defined as such in Section 2 of Article XIII.

(19) "First Mortgage" shall mean the indenture executed and delivered by the Railroad Company to The Northern Trust Company, as trustee, dated as of January 1, 1944, as amended, modified or supplemented from time to time.

(20) "First Mortgage Bonds" shall mean all bonds authenticated and delivered under the First Mortgage.

(21) "First Mortgage Bondholders" shall mean, as of any particular date, the holders of coupon bonds not registered as to principal and the registered owners of coupon Bonds registered as to principal and of registered bonds without coupons issued and outstanding under the First Mortgage as of that date.

been given, or provision satisfactory to the Trustee shall have been made for giving such notice, as provided in Article IV;

(c) Bonds in lieu of or substitution for which other Bonds shall have been authenticated and delivered pursuant to the provisions of Section 7 of Article II; and

(d) Bonds then owned by the Railroad Company.

(27) "Permitted Encumbrances" shall mean, as of any particular time, any of the following:

(a) Liens for taxes, assessments or governmental charges not then delinquent; liens for workmen's compensation awards and similar obligations not then delinquent; liens or encumbrances in connection with litigation against the Railroad Company or any Qualified Subsidiary concerning claims for personal injuries or damages to property arising out of the operation of its business which are entitled to priority over the lien of the Mortgage by operation of law; other liens not exceeding $100,000 in the aggregate arising out of litigation against the Railroad Company and prior to the lien of the Mortgage; and other liens against any Qualified Subsidiary in an amount not exceeding $20,000; liens for the payment or discharge of which provisions satisfactory to the Trustee have been made; mechanics', laborers', materialmen's and similar liens not then delinquent; any of such liens irrespective of amount, whether or not delinquent, the validity of which is being contested at the time by the Railroad Company, or by any Qualified Subsidiary, in good faith; and undetermined liens or charges incidental to construction.

(b) Liens securing indebtedness neither payable nor assumed nor guaranteed by the Railroad Company or by any Qualified Subsidiary, nor on which it customarily pays interest, on property with respect to which the Railroad Company or any Qualified Subsidiary, owns easements or rights of way.

(c) Rights reserved to or vested in any governmental authority or agency or in any municipality by the terms

age rights, or other similar operating rights, with the lines of railroad owned by the Railroad Company, which the Board of Directors shall deem necessary or useful in connection with the operation of the Railroad Company's system and of which at least 90% of the total outstanding capital stock of each class is owned by the Railroad Company and deposited and pledged with the Trustee under the Mortgage.

(31) "Qualified Subsidiary Bonds" shall mean the bonds of a Qualified Subsidiary secured by a general lien on all or substantially all of its physical property, subject only to Permitted Encumbrances and to the prior right, charge, lien or title of Equipment Trust Obligations of such corporation:

(a) Issued prior to, and outstanding upon, the date such corporation shall have become a Qualified Subsidiary, if such bonds do not exceed in principal amount 75% of the then fair value of the unretired physical property of such Qualified Subsidiary (other than Equipment then or at any previous time securing any Equipment Trust Obligation of such Qualified Subsidiary) as evidenced by an Engineer's Certificate delivered to the Trustee; or

(b) Issued after the date such corporation shall have become a Qualified Subsidiary, if such bonds do not exceed in principal amount 75% of the expenditures of such Qualified Subsidiary after said date for net additions to its physical property (other than Equipment then or at any previous time securing any Equipment Trust Obligation) as shown by its accounts.

(32) "Qualified Subsidiary Stocks" shall mean the shares of any class of the capital stock of a corporation which shall have been issued prior to, and shall be outstanding upon, the date it shall have become a Qualified Subsidiary, and the shares of any class of the capital stock thereafter issued by such Qualified Subsidiary.

(33) "Railroad Company" shall mean and include not only the Minneapolis, St. Paul & Sault Ste. Marie Railroad

Company, the party of the first part to the Mortgage, but also any corporation that shall have complied with the provisions of Article IX and that shall have become a successor corporation as defined in Section 1 of said Article IX.

(34) "Resolution" shall mean a resolution or resolutions certified by the Secretary or an Assistant Secretary of the Railroad Company, under its corporate seal, as having been duly adopted by the Board of Directors at a meeting held on a specified date and as being in full force and effect as of the date of certification.

(35) "Service Life" when used with reference to the retirement of any non-depreciable property (not replaced) shall mean the interval of time (expressed to the nearest full year) between the date when such property is first placed in service and the date when such property is withdrawn from service.

(36) "Uniform System of Accounts" shall mean (a) the system of accounts for steam railroads prescribed by the Interstate Commerce Commission, and the instructions, interpretations, regulations and orders of the Interstate Commerce Commission thereunder, in effect at the date of the execution and delivery of the Mortgage or as thereafter modified, or (b) any other system of accounts thereafter prescribed by the Interstate Commerce Commission or by any other public regulatory body having similar jurisdiction over the accounts of the Railroad Company, or (c) any system of accounts that is in accord with sound accounting principles (as determined by a certified public accountant, selected by the Railroad Company and approved by the Trustee) if there shall no longer be an Interstate Commerce Commission or any other public regulatory body having such similar jurisdiction or if there shall no longer be a system of accounts for steam railroads prescribed by such Commission or by any such regulatory body.

the date of maturity of said Bonds, to become due as a debt on the last day of each such calendar year and to be payable on May 1 of the succeeding calendar year to the registered holder of each Bond of record as of the close of business on the tenth day preceding such May 1, but only to the extent of Available Net Income applicable to the payment of such interest under the provisions of Section 2 of Article V, and to the extent not so payable will not accumulate, and such interest with respect to the calendar year 1990, to be due and payable on January 1, 1991, whether or not Available Net Income is sufficient therefor;

(e) be payable, both as to principal and interest, at the office or agency of the Railroad Company in the City of Chicago, State of Illinois, or at the option of the registered owner at the office or agency of the Railroad Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts;

(f) be redeemable before maturity at the option of the Railroad Company upon the terms stated in Article IV;

(g) be issued only in the form of registered Bonds without coupons in denominations of $100, $500, $1,000, $5,000 and $10,000, and, with the consent of the Railroad Company, in denominations in excess of $10,000; shall be interchangeable in authorized denominations (except that, unless otherwise ordered by the Railroad Company for the purposes of effecting distribution of the Bonds of Series A pursuant to the Plan, Bonds of the denominations of $100 and $500 shall be exchangeable in principal amounts aggregating $1,000 or a multiple thereof for an equivalent principal amount of Bonds of the denomination of $1,000 or larger, and Bonds of the denomination of $1,000 or larger may not be exchanged for Bonds of the denomination of $500 or $100); and shall be transferable at the office or agency of the Railroad Company in the City of Chicago, State of Illinois, and in the Borough of Manhattan, City and State of New York, as provided in Section 5 of this Article II;

(h) be entitled to the benefits of the Series A Sinking Fund as provided in Section 5 of Article V; and

(e) interest payment dates and the extent to which the contingent interest shall be cumulative;

(f) place or places for the payment of principal and for the payment of interest;

(g) whether issuable as registered Bonds without coupons, or as coupon Bonds with or without the privilege of registration as to principal, or both, and the respective denominations of each and the place or places, if any, and the procedure for registration as to principal of coupon Bonds and for registration and transfer of registered Bonds without coupons;

(h) provisions, if any, for exchanges of coupon Bonds of all or specified denominations for registered Bonds without coupons, of registered Bonds without coupons of all or specified denominations for coupon Bonds, of coupon Bonds for coupon Bonds of other denominations, and of registered Bonds without coupons for registered Bonds without coupons of other denominations, and the place or places for such exchanges;

(i) limitations, if any, upon the aggregate principal amount of Bonds of the series which may be issued;

(j) provisions, if any, for the payment of principal or interest, or both, without deductions for taxes, or for reimbursement of taxes in case of payment thereof by the holders;

(k) provisions, if any, for exchangeability of Bonds of one series for Bonds of another series;

(l) provisions, if any, with regard to any obligation of the Railroad Company to permit the conversion of Bonds of any series into stock or other securities of the Railroad Company;

(m) provisions, if any, reserving to the Railroad Company the right to redeem all or any part of the Bonds of any series before maturity;

(n) provisions, if any, for any sinking fund with respect to the Bonds of any series; and

(o) any other provisions not in conflict with the provisions of the Mortgage.

In case any person who, as an officer of the Railroad Company, shall have signed any of the Bonds or attested the seal thereon shall cease to be such officer before the Bonds so signed or sealed shall have been authenticated and delivered by the Trustee or disposed of by the Railroad Company, such Bonds, nevertheless, may be authenticated, delivered and disposed of as though the person had not ceased to be such officer; and any Bond may be signed on behalf of the Railroad Company and the seal of the Railroad Company may be attested by such persons as, at the actual date of the execution of the Bond, shall be the proper officers of the Railroad Company, although at the nominal date of such Bond any such person was not such officer.

The coupons attached to coupon Bonds shall bear the facsimile signature of the present Treasurer or of any future Treasurer of the Railroad Company, and for that purpose the Railroad Company may use the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that at the time when such coupon Bonds shall be authenticated and delivered or disposed of he shall have ceased to be the Treasurer of the Railroad Company.

SECTION 5. In all cases in which the privilege of exchanging Bonds of any series exists and is exercised, the Bonds to be exchanged shall be surrendered at any office or agency maintained by the Railroad Company in accordance with the provisions of Section 2 of Article VI with respect to the Bonds of such series, and the Railroad Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the Bond or Bonds which the holder making the exchange shall be entitled to receive. All coupon Bonds surrendered for exchange and delivered in exchange shall have attached thereto all unmatured coupons appertaining thereto and, in case at the time of any such exchange interest

All Bonds presented or surrendered for exchange, transfer, registration or discharge from registration as provided in this Section 5 shall be in bearer form or, if registered, shall be accompanied by a written instrument or instruments of transfer in form approved by the Railroad Company duly executed by the registered holder or his legal representative, either in person or by duly authorized attorney.

Upon every exchange, transfer, registration or discharge from registration of Bonds the Railroad Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge and in addition thereto a further sum not exceeding two dollars for each new Bond then issued, except as otherwise provided in Section 6 of this Article II, in Section 3 of Article IV and in Section 5 of Article XVI.

The Railroad Company shall not be required to make transfers or exchanges of registered Bonds without coupons of any series for a period of ten days next preceding any interest payment date of the Bonds of such series or next preceding any selection by lot of Bonds to be redeemed. The Railroad Company shall not be required to make transfers or exchanges of any Bonds selected for redemption.

If one or more of the Events of Default shall have occurred and be continuing, nevertheless the Railroad Company shall duly execute and the Trustee shall authenticate and deliver Bonds for the purposes of making the exchanges and transfers provided for in this Section 5.

SECTION 6. Pending the preparation of definitive Bonds of any series, the Railroad Company may execute and the Trustee shall authenticate and deliver one or more temporary Bonds (printed or lithographed) of such series with or without one or more coupons and of any denomination or

the mutilated, destroyed, lost or stolen Bond) of the same series and maturity and of like tenor, in exchange and substitution for the mutilated Bond and its coupons, if any, or in lieu of and substitution for the Bond and its coupons, if any, so destroyed, lost or stolen, or, if any such Bond or any coupon shall have matured or shall be about to mature or shall have been called for redemption, instead of issuing a substituted Bond or coupon the Railroad Company may pay the same without surrender thereof. In case of destruction, loss or theft of any Bond or coupon, the applicant for a substituted Bond or for such payment shall furnish to the Railroad Company, to the Trustee and to any paying agent of the Railroad Company, in their discretion, evidence to their satisfaction of the destruction, loss or theft of such Bond and its coupons (if any) and of the ownership thereof, and also such security or indemnity as may be required by the Railroad Company, the Trustee and such paying agent to save each of them harmless. The Trustee may authenticate any such substituted Bond and deliver the same with appurtenant coupons (if any), or the Trustee or any paying agent of the Railroad Company may make any such payment, upon the written request or authorization of the Railroad Company, signed by its President or a Vice President, and shall incur no liability to anyone by reason of anything done or omitted to be done by it in good faith under the provisions of this Section 7. Upon the issue of any substituted Bond, the Railroad Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge and any other expense connected therewith, and also of a further sum not exceeding two dollars for each Bond so issued in substitution.

Notwithstanding any limitations contained in the Mortgage, any Bonds and coupons issued under the provisions of this Section 7 shall constitute original contractual obliga-

ARTICLE II

Description, Execution, Registration and Exchange of Bonds

Section 1. The Bonds shall be designated generally as the Railroad Company's "General Mortgage Bonds" and may be issued in one or more series as shall be authorized from time to time in the manner provided in the Mortgage.

The authorized aggregate principal amount of Bonds shall be unlimited, except as may be provided hereinafter and except as may be limited by applicable Federal and state laws now or hereafter enacted.

Section 2. The initial series of Bonds shall be designated as "Series A", and the Bonds of Series A to be issued pursuant to Section 1 of Article III shall:

(a) be designated "General Mortgage 4% Income Bonds, Series A, due January 1, 1991";

(b) be dated as of the date of their authentication and delivery, except that the Bonds originally issued hereunder shall be dated as of January 1, 1944;

(c) mature January 1, 1991, unless previously redeemed pursuant to Article IV or declared due and payable pursuant to Article XIII;

(d) bear interest at the rate of four per cent (4%) per annum, except as otherwise provided in this clause (d), from the date thereof until the principal sum thereof becomes due and payable, and if default be made in the payment of said principal sum when due and payable, thereafter (to the extent permitted by law) at the highest rate of interest borne by any of the Outstanding Bonds until the Railroad Company's obligation with respect to the payment of said principal sum shall be discharged as provided in the Mortgage, and (to the extent permitted by law) bear interest on any unpaid instalment of interest after the same becomes due and payable at the highest rate of interest borne by any of said Outstanding Bonds; such interest (until said principal sum becomes due and payable) with respect to each calendar year prior to the calendar year immediately preceding

(i) be substantially in the form recited in the preambles of the Mortgage, and shall bear such serial numbers as may be approved by the officers executing the same on behalf of the Railroad Company, such approval as to any particular Bond to be evidenced conclusively by the execution thereof by such officers.

Section 3. The Bonds of series other than Series A shall be substantially in the form hereinbefore recited for the Bonds of Series A, but with such provision and form for coupons, if any, to be attached to such thereof as may be coupon Bonds, and with such omissions, variations and insertions as may be authorized, permitted or required by the Mortgage and as may be prescribed in the supplemental indenture providing for the creation of such other series.

The Bonds and the coupons if any appertaining thereto may contain such specifications, descriptive words and recitals, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon, as the Railroad Company may deem appropriate and as are not inconsistent with the provisions of the Mortgage or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Bonds may be listed or to conform to usage.

The several series of Bonds may differ from the Bonds of Series A and as between series in respect of any or all of the following matters:

(a) title;

(b) date;

(c) date of maturity (which shall not be earlier than the date of maturity of Bonds of Series A or First Mortgage Bonds of Series A);

(d) rate of interest, which shall always be contingent upon the earnings or Available Net Income of the Railroad Company;

In authorizing the issue of any series of Bonds (other than Bonds of Series A), all matters in respect of the Bonds of such series set forth in clauses (a) to (g), inclusive, of this Section 3, and the form of the Bonds and coupons, if any, of such series, shall be determined and specified, and any and all matters permitted by clauses (h) to (o), inclusive, of this Section 3 may be determined and specified, in the supplemental indenture providing for the creation of such series.

Bonds of any particular series shall be identical except that they may be of different numbers, of different denominations, in the form of coupon Bonds or registered Bonds without coupons, and may have serial maturities, in which case the several maturities may differ with respect to redemption price and interest rate.

Section 4. The Bonds shall be signed on behalf of the Railroad Company by its President or a Vice President, and its corporate seal or a facsimile thereof shall be affixed thereto or imprinted or engraved thereon and attested by its Secretary or an Assistant Secretary. Only such Bonds as shall bear thereon a certificate of authentication executed by the Trustee substantially in the form hereinbefore recited shall be secured by the Mortgage or be entitled to any right or benefit hereunder; and no Bond and no coupon thereunto appertaining shall be or become valid or obligatory for any purpose until such certificate shall have been duly executed on such Bond. Such certificate executed by the Trustee upon any Bond executed by the Railroad Company shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is one of the Bonds described in the Mortgage. The Trustee shall not authenticate or deliver any coupon Bond until all matured coupons thereunto appertaining shall have been detached and cancelled, except as otherwise provided in Section 5 or Section 7 or Section 9 of this Article II.

on the Bonds of the particular series is in default, shall in addition have attached thereto all matured coupons in default.

The Railroad Company shall keep, at the offices or agencies to be maintained by the Railroad Company in accordance with the provisions of Section 2 of Article VI, a register or registers in which, subject to such reasonable regulations as it may prescribe, the Railroad Company shall register Bonds entitled to registration and shall transfer registered Bonds. At all reasonable times such register or registers shall be open for inspection by the Trustee.

Upon surrender for transfer of any registered Bond without coupons of any series at any office or agency maintained with respect to the Bonds of such series, the Railroad Company shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new registered Bond or Bonds without coupons of the same series and maturity for a like aggregate principal amount.

Upon presentation for registration of any coupon Bond registerable as to principal at any such office or agency, such Bond shall be registered as to principal in the name of the holder and the fact of such registration shall be noted on the Bond. No transfer of any coupon Bond so registered as to principal shall be valid unless made at any such office or agency and similarly noted on the Bond, but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. Coupon Bonds entitled to registration shall continue to be subject to successive registrations and transfers to bearer, at the option of the holders. Such registration of any coupon Bond shall not affect the negotiability of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

denominations, in bearer form, registerable or not registerable as to principal, or in registered form, which shall be substantially in the form of the definitive Bonds of such series, but with any omissions, insertions and variations appropriate for temporary Bonds, all as authorized by the Board of Directors and as provided in the written order of the Railroad Company for the authentication and delivery thereof. Every such temporary Bond shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. When definitive Bonds of any series are prepared and ready for delivery, the temporary Bonds of such series may be surrendered in exchange therefor, and the Trustee shall authenticate and deliver in exchange therefor, without expense to the holder, an equal aggregate principal amount of definitive Bonds of the same series and maturity. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of the Mortgage as definitive Bonds authenticated and delivered hereunder. Interest when and as payable upon temporary Bonds without coupons in bearer form and not registered as to principal shall be paid only upon presentation thereof for notation thereon of such payment.

When temporary Bonds of any series are authenticated and delivered, the Railroad Company will cause definitive Bonds of such series to be prepared without unnecessary delay.

Section 7. In case any temporary or definitive Bond and any coupons appertaining thereto shall become mutilated or be destroyed, lost or stolen, the Railroad Company in its discretion may execute, and upon the written request of the Railroad Company, signed by its President or a Vice President, the Trustee may authenticate and deliver, a new Bond (with coupons corresponding to the coupons, if any, appertaining to

tions, in accordance with their terms, on the part of the Railroad Company, and shall be equally and proportionately entitled to the benefit and security of the Mortgage with all other Bonds and coupons issued under the Mortgage, in accordance with the terms thereof.

Section 8. Except as otherwise provided in the Mortgage, all Bonds (and appurtenant coupons, if any) surrendered for the purpose of payment, redemption, exchange or transfer shall either be surrendered to the Railroad Company or any paying agent and by it delivered to the Trustee, or be surrendered to the Trustee, and shall be cancelled by the Trustee as and when so delivered or surrendered to it, and no Bonds or appurtenant coupons shall be issued under the Mortgage in lieu of Bonds or appurtenant coupons so surrendered except as expressly permitted by any of the provisions of the Mortgage. All coupons surrendered to the Railroad Company or any paying agent for the purpose of payment shall be cancelled and delivered to the Trustee.

The Trustee shall make appropriate notations in its records in respect of all Bonds and appurtenant coupons cancelled by it as aforesaid, shall cremate all such cancelled coupon Bonds not registered as to principal and all cancelled coupons, and may, in its discretion, cremate all such cancelled coupon Bonds registered as to principal and registered Bonds without coupons, and shall deliver a certificate of any such cremation to the Railroad Company.

If the Railroad Company shall acquire any of the Bonds otherwise than as aforesaid, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Bonds unless and until the same are surrendered to the Trustee for cancellation.

SECTION 9. Each Bond delivered pursuant to the exercise of any privilege of transfer or exchange, or in substitution, for the whole or any part of one or more other Bonds of the same series shall carry all of the rights to accumulated and unpaid interest which were carried by the whole or such part of such one or more other Bonds at the time of transfer, exchange or substitution and, notwithstanding anything contained in the Mortgage, such Bond shall be so dated or have attached thereto such coupons that neither gain nor loss in interest payable by the Railroad Company shall result by reason of such transfer, exchange or substitution. In case any Bond shall have been delivered upon the exercise of any privilege of transfer or exchange or in substitution, as aforesaid, interest shall be deemed to have been paid on such Bond to the extent paid on an equal principal amount of the Bond or Bonds for which such Bond was transferred, exchanged or substituted.

of Bonds of such prior series or First Mortgage Bonds theretofore Bonded, or theretofore acquired, retired, cancelled or paid through the operation of the Series A Sinking Fund or any other sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage; and (2) that in case of the redemption of any Bonds of such prior series or First Mortgage Bonds all action and notice required for such redemption shall have been taken and given, or provision made therefor satisfactory to the Trustee.

No Bonds shall be authenticated and delivered under this Section 2 until after there shall have been delivered to the Trustee in each case:

(a) An Application for the authentication of Bonds under this Section 2 and stating the principal amount of Bonds the authentication of which is applied for.

(b) The documents specified in Section 7 of this Article III.

(c) An Officers' Certificate dated not more than 30 days prior to the delivery thereof which shall (i) describe and state the amount of the Bonds of such prior series or First Mortgage Bonds the cancellation or surrender for cancellation or the payment or redemption of which forms the basis of the Application; (ii) state that said Bonds of such prior series or First Mortgage Bonds have not theretofore been Bonded and have not theretofore been acquired, retired, cancelled or paid through the operation of the Series A Sinking Fund or any other sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage; and (iii) certify that any moneys deposited in trust as required by paragraph (d) of this Section 2 are not otherwise required to be deposited with the Trustee or are not otherwise required to be used under any provision of the Mortgage or of the First Mortgage.

(d) Either (i) said Bonds of such prior series or First Mortgage Bonds, cancelled or for cancellation,

and (e) an Officers' Certificate dated not more than 30 days prior to the delivery thereof which shall certify that any cash so deposited with the Trustee is not otherwise required to be deposited with the Trustee or is not otherwise required to be used under any provision of the Mortgage or of the First Mortgage.

All cash so deposited (herein sometimes referred to as "escrowed cash") shall be held by the Trustee as part of the mortgaged property and may be withdrawn by the Railroad Company upon its written order, signed by its President or a Vice President, accompanied by an Application therefor and a Resolution authorizing such Application, in an amount equal to the principal amount of each Bond or fraction of a Bond to the authentication and delivery of which the Railroad Company would be entitled under the provisions of Sections 2, 4 or 5 of this Article III. Upon applying for any such withdrawal, the Railroad Company shall comply with all applicable provisions of this Article III relating to the authentication and delivery of such Bonds except that the Railroad Company shall not be required to comply with any of the provisions of Section 7 of this Article III other than clause (d) (iv) (with such changes as shall be appropriate to the withdrawal of escrowed cash) and clause (e) of said Section 7. Any withdrawal of escrowed cash under this Section 3 shall be in lieu of the right of the Railroad Company to the authentication and delivery of Bonds to which the Railroad Company would otherwise be entitled under the provisions of Sections 2, 4 or 5 of this Article III.

The Railroad Company shall not be entitled to withdraw any escrowed cash pursuant to the provisions of this Section 3 at any time when the Railroad Company shall be in default in the payment of the principal of or interest on any Bonds or when an Event of Default shall have occurred and be continuing.

(b) The documents specified in Section 7 of this Article III.

(c) An Officers' Certificate, dated not more than thirty days prior to the delivery thereof, stating:

(i) If the Application relates to Capital Accounts 701-Road Property, 702 and 705:

(1) The amount of Expenditures for Additions and Betterments (excluding Equipment) that were made within a specified period beginning not more than sixty (60) months prior to the date of such Application.

(2) The aggregate amount required by the Uniform System of Accounts to be credited to such Capital Accounts by reason of the retirement of property replaced by property for or in respect of which such Expenditures were made.

(3) The amount of such Expenditures representing or resulting from the use of the proceeds of any insurance on any part of the mortgaged property retired and not replaced.

(4) The amount of Net Expenditures for Additions and Betterments (excluding Equipment) during such period.

(5) The amount of such Net Expenditures that have theretofore been Bonded.

(6) The amount of expenditures from the Capital Fund for or on account of such Additions and Betterments during such period.

(7) A description of the Additions and Betterments acquired or constructed by such Expenditures in such reasonable detail as shall be sufficient to permit identification thereof or a statement of the amounts of such Expenditures by primary accounts according to the Uniform System of Accounts.

(8) A description of the Equipment acquired or constructed by such Expenditures in such reasonable detail as shall be sufficient to permit identification thereof.

(9) The date or dates upon which each item of such Equipment was acquired by the Railroad Company or upon which construction by the Railroad Company was completed and the estimated remaining service life thereof.

(iii) A computation showing the amount of Bonds which could be authenticated and delivered on the basis of the Application.

(d) All such deeds, supplemental indentures or instruments of further assurance, if any, as in the Opinion of Counsel furnished pursuant to clause (e) below may be specified as necessary or advisable to subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and the lien of the Mortgage the property included in the Additions and Betterments shown in the Officers' Certificate required by clause (c) above, or, in the case of Additions and Betterments located on leaseholds, to subject such leaseholds to such lien.

(e) An Opinion of Counsel (i) stating that all property included in the Additions and Betterments shown in the Officers' Certificate required by clause (c) above, except such as is located on leaseholds, is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and the lien of the Mortgage or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, subject to no defect in title and subject to no lien thereon prior or equal to the lien of the Mortgage except Permitted Encumbrances, if any, and (ii) if any such property is located on any leasehold, as shown by the Officers' Certificate, stating that such leasehold is subject to the lien

being authenticated and delivered on the basis of the Stocks of such Qualified Subsidiary

(i) does not exceed 75% of the expenditures made by the Railroad Company as shown by its accounts for the acquisition of all Qualified Subsidiary Stocks of such Qualified Subsidiary theretofore and currently pledged with the Trustee, and

(ii) when added to the principal amount of all outstanding Qualified Subsidiary Bonds and other secured indebtedness of such Qualified Subsidiary does not exceed 75% of the sum of such expenditures plus the principal amount of all outstanding Qualified Subsidiary Bonds and other secured indebtedness of such Qualified Subsidiary; or

(b) The pledge with the Trustee of any Qualified Subsidiary Bonds not then Bonded, to the extent only of (1) the principal amount of such Qualified Subsidiary Bonds, or (2) the expenditures made by the Railroad Company as shown by its accounts for the acquisition of such Qualified Subsidiary Bonds, whichever shall be less.

No Bonds shall be authenticated and delivered under this Section 5 unless and until there shall have been delivered to the Trustee in each case:

I. An Application for the authentication of Bonds under this Section 5 and stating the principal amount of Bonds the authentication of which is applied for.

II. The documents specified in Section 7 of this Article III.

III. An Officers' Certificate dated not more than thirty days prior to the delivery thereof, which shall:

(a) Name the corporation the stocks or bonds of which have been or are to be pledged with the Trustee, state that such corporation is or upon such pledge will become a Qualified Subsidiary, and furnish therewith a balance sheet of such Qualified Subsidiary as of a date not more

ARTICLE III

Issue of Bonds

Section 1. Upon the execution and delivery of the Mortgage and whether before or after the recording of the Mortgage, Bonds of Series A in the aggregate principal amount of Twenty Million One Hundred Twenty-Nine Thousand Dollars ($20,129,000) may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, without any further action on the part of the Railroad Company.

No Bonds other than those authenticated and delivered pursuant to this Section 1 shall be authenticated or delivered by the Trustee pursuant to the provisions of this Article III at any time when the Railroad Company shall be in default in the payment of the principal of or interest on any Bonds or when an Event of Default shall have occurred and be continuing.

Section 2. From time to time and in the manner provided in this Section 2, Bonds of one or more series other than Series A may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, in an aggregate principal amount not exceeding the principal amount of any Bonds of any prior series or any First Mortgage Bonds which shall have been cancelled or surrendered to the Trustee for cancellation, or for the payment or redemption of which moneys in the necessary amount shall have been irrevocably deposited in trust with the Trustee or in trust with any agency satisfactory to the Trustee; provided, however, (1) that no Bonds shall be authenticated and delivered under this Section 2 on the basis

which form the basis of the Application, together with all unmatured coupons and all unpaid matured coupons appertaining thereto, if any, funds for the payment of which have not been provided, or (ii) moneys in trust in the necessary amount for the payment or redemption thereof, or (iii) an Officers' Certificate and other evidence satisfactory to the Trustee either that said Bonds of such prior series or First Mortgage Bonds have been duly paid and cancelled or that moneys in the necessary amount for payment or redemption thereof have been deposited in trust with an agency satisfactory to the Trustee, and (iv), in case of such redemption, evidence that due notice of redemption has been given or has been provided for, to the satisfaction of the Trustee.

Bonds made the basis for the authentication and delivery of Bonds under this Section 2, together with all coupons appertaining thereto, if not then cancelled, shall be cancelled by the Trustee and shall not thereafter be made the basis for the authentication and delivery of any Bonds, the release of any property, the withdrawal, payment or application of any cash held by the Trustee or otherwise used under any provision of the Mortgage.

Section 3. From time to time and in the manner provided in this Section 3, Bonds of one or more series other than Series A may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, upon the deposit by the Railroad Company with the Trustee of a sum in cash equal to the principal amount of the Bonds so to be authenticated and delivered and upon delivery by the Railroad Company to the Trustee of (a) an Application for the authentication of Bonds under this Section 3 and stating the principal amount of Bonds the authentication of which is applied for, (b) the documents specified in Section 7 of this Article III,

Whenever and so long as the amount of escrowed cash at any time held by the Trustee and not withdrawn by the Railroad Company under the provisions of this Section 3 shall exceed $5,000,000, no Bonds shall be issued by the Railroad Company or authenticated by the Trustee under the provisions of this Section 3.

Section 4. From time to time and in the manner provided in this Section 4, Bonds of one or more series other than Series A may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, in an aggregate principal amount not exceeding 75% of the Net Expenditures for Additions and Betterments during a period beginning not more than sixty (60) months prior to the date of the Application for the authentication of such Bonds, provided however, that no Bonds shall be authenticated and delivered (a) on the basis of Net Expenditures for Additions and Betterments which have theretofore been Bonded, or (b) during such period in an amount which, when added to the amount of expenditures from the Capital Fund for or on account of Expenditures for Additions and Betterments during such period, would exceed the Net Expenditures for Additions and Betterments during such period, all as shown by the Officers' Certificate relating to the authentication and delivery of such Bonds.

No Bonds shall be authenticated and delivered under this Section 4 until after there shall have been delivered to the Trustee in each case:

(a) An Application for the authentication of Bonds under this Section 4 and stating the principal amount of Bonds the authentication of which is applied for.

(8) The amount of such Expenditures which represents Additions and Betterments located on any leasehold subject to the lien of the Mortgage, the date of expiration of the term of any such lease and the amount of such Expenditures representing Additions and Betterments which the Railroad Company has the right to be reimbursed for or to remove upon the termination of the lease.

(ii) If the Application relates to Equipment:

(1) The amount of Expenditures for Additions and Betterments representing Equipment that were made within a specified period beginning not more than sixty (60) months prior to the date of such Application.

(2) The aggregate amount required by the Uniform System of Accounts to be credited to Capital Accounts by reason of the retirement of Equipment replaced by Equipment for or in respect of which such Expenditures were made.

(3) The amount of such Expenditures representing or resulting from the use of the proceeds of any insurance on any Equipment retired and not replaced.

(4) The amount of Net Expenditures for Additions and Betterments representing Equipment acquired or constructed during such period.

(5) The amount of such Net Expenditures that have theretofore been Bonded.

(6) The amount of expenditures from the Capital Fund for or on account of such Equipment during such period.

(7) That the Railroad Company has by supplemental indenture established a sinking fund meeting the requirements of Section 3 of Article V.

of the First Mortgage (so long as it remains a lien on the mortgaged property) and the lien of the Mortgage, or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, and extends for a period of time beyond the latest maturity date of any Bonds outstanding or for the authentication and delivery of which application is being made, and that, under the terms of such leasehold, the Railroad Company has the right to be reimbursed in respect of the expenditures for such property or the right to remove the property upon the termination thereof, and that all of the Railroad Company's interest in such leasehold (except the last day of the term thereof), including any such right of reimbursement, has been pledged with the Trustee; provided that such Opinion of Counsel may recite that it is based upon certificates or opinions of officers or engineers of the Railroad Company as to any factual matters not of public record.

(f) If it shall appear from the Officers' Certificate required by clause (c) above that any of the Expenditures for Additions and Betterments then being made the basis for the authentication and delivery of Bonds consists of expenditures for Equipment, a supplemental indenture establishing a sinking fund meeting the requirements specified in Section 3 of Article V.

Section 5. From time to time and in the manner provided in this Section 5, Bonds of one or more series other than Series A may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, for or on account of:

(a) The pledge with the Trustee of Qualified Subsidiary Stocks not then Bonded, to the extent only that the principal amount of the Bonds theretofore and then

than 60 days prior to the date of such Application and a statement of any material changes in financial condition existing as of the date of the Application not reflected in such balance sheet.

(b) If the Application is with respect to the pledge of Qualified Subsidiary Stocks, state the amount of the expenditures made by the Railroad Company as shown by its accounts for the acquisition of all Qualified Subsidiary Stock of such Qualified Subsidiary theretofore and concurrently pledged with the Trustee; the number of shares and the classes of all outstanding stock of such Qualified Subsidiary and the number of shares of stock of each class theretofore pledged with the Trustee and the number of shares of each class proposed to be pledged concurrently with the Trustee; and a computation showing that the principal amount of Bonds to the authentication of which the Railroad Company shall be entitled under the provisions of this Section 5, when added to the principal amount of all Qualified Subsidiary Bonds and other secured indebtedness of such Qualified Subsidiary then outstanding, does not exceed 75% of the sum of such expenditures plus the principal amount of all Qualified Subsidiary Bonds and other secured indebtedness of such Qualified Subsidiary then outstanding.

(c) If the Application is with respect to the pledge of Qualified Subsidiary Bonds:

(i) State the amount of all Qualified Subsidiary Bonds of such Qualified Subsidiary then outstanding and the amount thereof which were outstanding as of the date such corporation shall have become a Qualified Subsidiary, and state separately the amount thereof theretofore pledged with the Trustee and the amount thereof proposed to be pledged concurrently with the Trustee.

(ii) State the amount of all Qualified Subsidiary Bonds issued by such Qualified Subsidiary after the date it shall have become a Qualified Subsidiary and state separately the amount thereof theretofore pledged with the Trustee and the amount thereof

proposed to be pledged concurrently with the Trustee.

(iii) Furnish a computation showing that the Qualified Subsidiary Bonds referred to in the Application meet the requirements of the definition of Qualified Subsidiary Bonds in Article I.

(iv) Furnish a brief description of any Qualified Subsidiary Bonds referred to in the Application and of all other secured indebtedness, other than Permitted Encumbrances, of such Qualified Subsidiary, including the date of the instrument creating any lien on the property of such Qualified Subsidiary as security therefor.

(v) State the amount of the expenditures made by the Railroad Company for the acquisition of the Qualified Subsidiary Bonds proposed to be made the basis for the issue of Bonds under the Application.

(d) State that the Qualified Subsidiary Stocks and the Qualified Subsidiary Bonds to the extent proposed to be made the basis for the issue of Bonds under the Application are not then Bonded.

(e) State that, as to each Qualified Subsidiary referred to in the Application, the balance sheet and any material changes in the existing financial condition not reflected in such balance sheet are in all cases as shown by the accounts of such Qualified Subsidiary kept in accordance with the Uniform System of Accounts.

IV. All Qualified Subsidiary Stocks and all Qualified Subsidiary Bonds proposed to be pledged with the Trustee under the Application; and all such instruments, if any, as in the Opinion of Counsel furnished pursuant to clause VI below may be stated to be necessary or advisable to subject such securities to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage.

certified; that the said Qualified Subsidiary Bonds of each such Qualified Subsidiary are valid obligations thereof and are secured by a valid general lien on all or substantially all of the physical property of such subsidiary, subject to no lien prior thereto other than Permitted Encumbrances and the prior right, charge, lien or title of Equipment Trust Obligations of such Subsidiary; and that each such agreement is a valid and enforceable obligation of the Qualified Subsidiary making the same.

VII. A Resolution to the effect that each Qualified Subsidiary referred to in the Application owns one or more lines of railroad, bridges or railroad terminals which are connected directly, or by leasehold rights, trackage rights, or other similar operating rights, with the lines of railroad owned by the Railroad Company, and which are necessary or useful in connection with the operation of the Railroad Company's system.

VIII. So long as the First Mortgage shall remain a lien on the mortgaged property the requirements of this Section 5 with respect to the pledge and deposit with the Trustee of Qualified Subsidiary Stocks or Qualified Subsidiary Bonds shall be deemed to require the pledge and deposit thereof with the trustee under the First Mortgage subject to the terms thereof, instead of with the Trustee, and the filing with the Trustee of a statement of the trustee under the First Mortgage certifying to such pledge and deposit.

SECTION 6. From time to time and in the manner provided in this Section 6, Bonds of one or more series other than Series A, in an aggregate principal amount not exceeding Two Million Dollars ($2,000,000), may be executed by the Railroad Company and shall be authenticated by the Trustee and delivered to or upon the written order of the Railroad Company, signed by its President or a Vice President, for or on account of the pledge with the Trustee of shares of capital

more than 60 days prior to the date of such Application and a statement of any material changes in financial condition known to the signers of the Certificate to exist on the date of the Application but not reflected in such balance sheet;

(b) If the Application is with respect to the pledge of stock of such corporation, state the amount of the expenditures made by the Railroad Company as shown by its accounts for the acquisition of such stock; the number of shares and classes of all outstanding stock of such corporation and the number of shares of stock of each class pledged or to be pledged concurrently with the Trustee; and a computation of the amount of Bonds to the authentication of which the Railroad Company shall be entitled under the provisions of this Section 6;

(c) If the Application is with respect to the pledge of bonds, notes, or certificates of indebtedness of such corporation, state the amount of the expenditures made by the Railroad Company as shown by its accounts for the acquisition thereof; the amount of all existing debts, liens and charges against the property of such corporation and the amount thereof theretofore pledged with the Trustee and the amount thereof proposed to be pledged concurrently with the Trustee; and a computation of the amount of Bonds to which the Railroad Company shall be entitled under the provisions of this Section 6; and

(d) State that the Investment Securities to the extent proposed to be made the basis for the issuance of Bonds under the application are not then Bonded.

IV. All Investment Securities proposed to be pledged with the Trustee under the Application; and all such instruments, if any, as in the Opinion of Counsel furnished pursuant to clause V below are stated to be necessary or advisable to subject such Investment Securities to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage.

sions of this Article III, the Railroad Company shall cause to be delivered to the Trustee:

(a) A Resolution authorizing the proposed issue of Bonds in a specified principal amount pursuant to a specified section or sections of this Article III, requesting the authentication and delivery thereof and either (i) stating that such Bonds are of a designated series previously authorized, or (ii) authorizing the execution and delivery of the supplemental indenture provided for in clause (b) of this Section 7; which Resolution shall have been adopted by the affirmative action of not less than two-thirds of the whole Board of Directors.

(b) If such Bonds are to be of a series not previously authorized, a supplemental indenture duly creating the proposed series and specifying as provided in Section 3 of Article II the particular provisions of the Bonds of such series.

(c) A copy authenticated in a manner satisfactory to the Trustee of any orders or certificates of any commissions or public regulatory bodies or other governmental authorities shown by the Opinion of Counsel referred to in clause (d) of this Section 7 to be required by law for the valid issue of such Bonds.

(d) An Opinion of Counsel stating that

(i) no authorization or approval by any commission or public regulatory body or other governmental authority is required by law for the valid issue of such Bonds except such authorizations as shall be evidenced by the copies of the orders or certificates delivered to the Trustee pursuant to clause (c) of this Section 7;

(ii) the Railroad Company is entitled by law and by the terms of the Mortgage to the authentication and delivery of such Bonds;

(iii) the authentication and delivery of such Bonds has been duly authorized by all requisite corporate action on the part of the Railroad Company;

ARTICLE IV.

REDEMPTION AND SINKING FUNDS

SECTION 1. The Railroad Company, at its option, may redeem the Bonds of Series A as a whole at any time or in part from time to time on any interest payment date prior to maturity, at a redemption price equal to the principal amount thereof plus all unpaid interest on said Bonds that has become payable for prior years and interest on said Bonds from January 1 of the then current year to the date fixed for redemption at the rate of 4% per annum. Bonds of Series A in denominations in excess of $1,000 may be redeemed in portions amounting to $1,000 or multiples of $1,000, with interest as aforesaid on the principal amount to be redeemed.

Upon the creation of any other series of Bonds the Railroad Company may reserve the right to redeem on any date prior to maturity all or from time to time any part of the Bonds of such series at such time or times and on such terms as shall be determined and specified in the supplemental indenture providing for the creation of such series and as shall be appropriately expressed in the Bonds of such series.

Except as otherwise provided in respect of Bonds of any particular series, the procedure for redemption of Bonds of all series which by their terms are redeemable shall be as hereinafter in this Article IV provided.

SECTION 2. In case the Railroad Company shall desire to exercise such right to redeem all or any part of the Bonds of a particular series in accordance with the right reserved so to do, it shall publish a notice of such redemption, once each week for four successive weeks in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, the first publication in each such

without coupons which is to be redeemed in part only (by reason of the fact that distinguishing numbers representing only part of the principal amount thereof shall have been so drawn), the notice shall specify the serial number of such Bond and the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for the redemption, upon surrender of such registered Bond, new Bonds of the same series and maturity in principal amount equal to the unredeemed portion of such registered Bond will be issued without expense to the holder of such registered Bond.

In case less than all Bonds of Series A are to be called for redemption, there shall not be included in the drawing provided for in this Section 2 the distinguishing numbers of any Bonds of Series A then owned by the Railroad Company or remaining undistributed under the Plan or held by the Bond Scrip Agent under the Bond Scrip Agreement dated September 1, 1944, made by and between the Railroad Company and Guaranty Trust Company of New York as Bond Scrip Agent.

SECTION 3. If publication of notice of redemption shall have been completed as above provided, the Bonds or portions of Bonds specified in such notice shall become due and payable on the date and at the place stated in such notice, at the applicable redemption price, and on and after such date (unless the Railroad Company shall fail to deposit with the Trustee, as hereinafter provided, funds sufficient for the payment of such Bonds at the redemption price) interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, and the coupons for such interest shall be void. On presentation and surrender of such Bonds, accompanied by appropriate transfer powers in blank in the case

V. Unless previously filed by a Qualified Subsidiary in connection with the pledge of its Qualified Subsidiary Bonds under the Mortgage, an agreement between the Railroad Company, the Trustee and such Qualified Subsidiary whereby the latter is obligated not to increase the amount of its other indebtedness secured by lien equal in rank to the lien of its bonds at any time pledged under the Mortgage, or to incur or assume any indebtedness secured by lien (other than Permitted Encumbrances and the prior right, charge, lien or title of its Equipment Trust Obligations) ranking prior to the lien of its bonds at any time so pledged.

VI. An Opinion of Counsel stating that all Qualified Subsidiary Stocks and Qualified Subsidiary Bonds of each Qualified Subsidiary required to be pledged with the Trustee by clause IV above are subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage or will become subject to such liens upon delivery thereof or delivery of the instruments, if any, specified in said Opinion of Counsel; that the Railroad Company has valid title to such securities and the right to own and pledge the same, free from any other lien; that all such Qualified Subsidiary Stocks are validly issued and fully paid and non-assessable; that such Qualified Subsidiary Bonds and the agreements required under clause V above have been duly authorized by all corporate authority required under the laws of the state of incorporation, the charter (or other document of organization) and the by-laws of the Qualified Subsidiary obligated thereby; that no authorization by any commission or governmental authority is required by law for the valid issue of such securities or for the valid ownership thereof by the Railroad Company or the pledge thereof as provided in this Section 5, except such authorizations as shall be specified in such opinion, and which shall be evidenced by copies of the orders or certificates so specified, appropriately

stock, bonds, notes or certificates of indebtedness (hereinafter referred to as "Investment Securities") of any corporation (not a Qualified Subsidiary) owning lines of railroad (including bridges) or railroad terminals, or both, directly, or by leasehold rights, trackage rights, or other similar operating rights, connected with the lines of railroad owned by the Railroad Company, in an aggregate principal amount not exceeding 75% of the aggregate expenditures made by the Railroad Company after the date of the execution and delivery of the Mortgage, as shown by its accounts for the acquisition of such Investment Securities.

If at any time or from time to time the proceeds from the sale of Investment Securities under Section 14 of Article VII have been paid or applied, pursuant to clause (b) or clause (c) of Section 7 of Article VIII, then the aggregate principal amount of Bonds which shall have been authenticated, delivered and outstanding under this Section 6 shall be deemed to have been reduced by an amount equal to the principal amount of Bonds so surrendered or redeemed.

No Bonds shall be authenticated and delivered under this Section 6 on the basis of Investment Securities then Bonded, and unless and until there shall have been delivered to the Trustee in each case:

I. An Application for the authentication of Bonds under this Section 6 and stating the principal amount of Bonds the authentication of which is applied for.

II. The documents specified in Section 7 of this Article III.

III. An Officers' Certificate dated not more than 30 days prior to the delivery thereof, which shall:

(a) State the name of the corporation issuing such securities and state that such securities are Investment Securities as defined in this Section 6, and furnish therewith a balance sheet of such corporation as of a date not

V. An Opinion of Counsel stating that all Investment Securities required to be pledged by the Trustee pursuant to clause IV above are subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage or will become subject to such liens upon delivery thereof or upon the delivery of the instruments, if any, specified in said Opinion of Counsel; that the Railroad Company has valid title to such securities and the right to own and pledge the same, free from any other lien; that all such shares of stock are validly issued and fully paid and non-assessable; that all such bonds, notes and certificates of indebtedness have been duly authorized by all corporate authority required under the laws of the state of incorporation, the charter (or other document of organization) and the by-laws of the corporation issuing the same; that no authorization by any commission or governmental authority is required by law for the valid issuance of such securities or for the valid ownership thereof by the Railroad Company or the pledge thereof as provided in this Section 6, except such authorizations as shall be specified in such opinion and which shall be evidenced by copies of the orders or certificates so specified appropriately certified.

VI. So long as the First Mortgage shall remain a lien on the mortgaged property the requirements of this Section 6 with respect to the pledge and deposit with the Trustee of Investment Securities shall be deemed to require the pledge and deposit thereof with the trustee under the First Mortgage subject to the terms thereof, instead of with the Trustee, and the filing with the Trustee of a statement of the trustee under the First Mortgage certifying to such pledge and deposit.

SECTION 7. Whenever applying for the authentication of any Bonds, other than Bonds of Series A, under the provi-

(iv) the Applications, certificates, orders and other documents delivered to the Trustee conform to the requirements of the Mortgage and constitute sufficient authority hereunder for the Trustee to authenticate and deliver such Bonds; and

(v) such Bonds when duly executed, authenticated and delivered and issued for consideration will constitute valid and outstanding obligations of the Railroad Company according to their terms and will be secured by the Mortgage in accordance with its terms.

(e) An Officers' Certificate stating that no Event of Default has occurred and is continuing, and that, so far as known to the signers thereof, the Railroad Company is not in default in the performance of any of the covenants or provisions of the Mortgage.

newspaper to be not less than sixty days and not more than ninety days before the date fixed for redemption. It shall not be necessary for all of such publications in any such city to be made in the same newspaper. Such notice shall specify the series of the Bonds to be redeemed, the date fixed for redemption and the redemption price thereof, and shall state that payment of such redemption price will be made at the office of the Trustee and that on and after said date interest thereon will cease to accrue. A copy of such notice shall be mailed by the Railroad Company at least thirty days prior to the date fixed for redemption to the Trustee and to the registered owners of registered Bonds without coupons and of coupon Bonds registered as to principal, so to be redeemed, at their last addresses as they shall appear upon the bond registry books, but neither failure to give such notice by mail, nor any defect therein, shall affect the validity of the proceedings for the redemption of the Bonds.

If the Railroad Company shall elect to redeem less than all of the Bonds of any series then outstanding, it shall give the Trustee adequate notice in advance of the aggregate principal amount of the Bonds of such series to be redeemed, and thereupon the Trustee shall draw by lot, in such manner as it shall deem appropriate (and for that purpose the Railroad Company will, upon request of the Trustee, close for a period not exceeding ten days the bond registry books), from the Outstanding Bonds, the distinguishing numbers of a principal amount of Bonds equal to such aggregate principal amount of Bonds to be redeemed and shall thereafter promptly notify the Railroad Company in writing of the numbers of the Bonds so drawn. The notice of redemption shall specify the numbers of coupon Bonds and registered Bonds without coupons so drawn, and in case of any registered Bond

of coupon Bonds registered as to principal and registered Bonds without coupons, on or after such date at any place or places of payment in said notice specified, with all coupons, if any, thereto appertaining and maturing on or after such date, they shall be paid and redeemed by the Railroad Company at the applicable redemption price. If the Railroad Company, having published notice of redemption as required, fails so to deposit, or to direct the application from cash so available and held by the Trustee, of a sum of money equal to such redemption price, the Bonds so called for redemption, nevertheless, shall become due and payable on the date fixed for redemption.

Upon presentation of any registered Bond without coupons which is redeemed in part only, the Railroad Company shall execute and the Trustee shall authenticate and deliver to the registered holder thereof, at the expense of the Railroad Company, a new registered Bond or Bonds without coupons of the same series and maturity in principal amount equal to the unredeemed portion of the Bond so presented.

SECTION 4. If the Railroad Company shall deposit in trust with the Trustee on, or within one year prior to, the date fixed for redemption an amount in cash sufficient to redeem all Bonds, or portions thereof, then outstanding, called or to be called for redemption, and shall furnish to the Trustee proof satisfactory to it that notice of redemption of such Bonds has been published as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice, then the Bonds or portions of Bonds to be redeemed shall no longer entitle the holders thereof to any lien or benefit under the Mortgage, save and except the right to receive the redemption price therefor.

All moneys deposited with the Trustee for the redemption of Bonds shall be held in trust for the benefit of the holders

of such Bonds, but subject to the provisions of Section 3 of Article XV.

SECTION 5. If the date fixed for redemption be a legal holiday or a day on which banking institutions are authorized by law to be closed, then payment of the redemption price may be made on the next succeeding day that is not a legal holiday or a day on which banking institutions are authorized by law to be closed, with the same force and effect as if made on the nominal date fixed for redemption, and no interest shall accrue for the period after the date fixed for redemption.

SECTION 6. Any moneys which are deposited with the Trustee as and for the Series A Sinking Fund, as required by the provisions of Section 5 of Article V and subdivision D of Section 14 of Article VII, shall be applied by the Trustee, so long as no Event of Default has occurred and is continuing, to the purchase or redemption of Outstanding Bonds of Series A in accordance with the provisions of this Article IV.

The Trustee may purchase such Bonds either at public or private sale at the lowest price or prices at which, in its sole discretion, it shall deem such Bonds reasonably obtainable; or, if the Trustee, in its sole discretion, shall deem it advisable, it may advertise for proposals to sell such Bonds to it, reserving the right to reject any or all such proposals in whole or in part, and may purchase such Bonds at the lowest price or prices asked in such proposals if it deems such purchases advisable; but no such Bonds shall be purchased at public or private sale or in response to proposals, as aforesaid, at a price, including unpaid interest, in excess of the amount, inclusive of unpaid interest, which would be payable in case of redemption thereof at the next applicable redemption date.

Whenever the balance remaining on deposit in the Series A Sinking Fund on February 1 of any year equals or exceeds

by any Bonds, First Mortgage Bonds or other obligations of the Railroad Company.

SECTION 7. Any moneys deposited with the Trustee hereunder as and for a sinking fund (other than the Series A Sinking Fund) for the retirement of any Bonds issued hereunder shall be applied in accordance with the provisions of the supplemental indenture establishing such sinking fund.

(2) The additional amount, if any, payable into the Capital Fund for any year shall be paid from the following sources and in the following order: *First,* from the cash arising out of the credits, if any, to the reserve for depreciation representing accruals for depreciation on roadway and structures for the next preceding calendar year, and *Second,* from Available Net Income for the next preceding calendar year applicable therefor in accordance with the provisions of clause (d) of Part A of Section 2 of this Article V.

(3) Such additional amount when added to the payment pursuant to clause (1) of this Part A in any year (but not including any deficit then being made up pursuant to clause (1) of this Part A) shall not exceed an amount equal to 2% of the railway operating revenues of the Railroad Company for the next preceding calendar year under the Uniform System of Accounts.

(4) The aggregate of the amounts payable into the Capital Fund in any year in accordance with this Part A shall not, when added to the unappropriated balance in the Capital Fund (as determined by the Board of Directors) at the close of the preceding calendar year, exceed $500,000.

PART B. All funds which are required or permitted to be paid into the Capital Fund shall be segregated from the general funds of the Railroad Company, shall be held by the Railroad Company in a separate bank account or invested in direct or guaranteed obligations of the United States Government, and shall be expended for the following purposes:

(a) To provide for, or to reimburse the Railroad Company for, all or any part of the Expenditures for Additions and Betterments, or expenditures for the acquisition or construction of Equipment, to the extent not otherwise financed through funds made available by charges to operating expenses on account of non-depreciable property retired, but determined in the case of non-depreciable property retired and not replaced in accordance with the definition of Available Net Income

ately to the extent that such income before fixed charges or such charges to operating expenses were sufficient to cover such expenditures.

In the event of any expenditures from the Capital Fund under clause (b) of this Part B, then, after such expenditures, no contingent obligations of the Railroad Company (except contingent interest obligations on First Mortgage Bonds of Series A), and no dividends on any class of its capital stock, shall be paid until there has been restored to the Capital Fund by way of reimbursement an amount equal to all expenditures from the Capital Fund made pursuant to said clause (b).

Prior to making any expenditure from the Capital Fund under clause (b) or clause (c) of this Part B, there shall be filed with the Trustee (i) a Resolution evidencing the determination of the Board of Directors to use the Capital Fund for the purposes therein specified and stating that in the opinion of the Board of Directors the income before fixed charges of the Railroad Company for such year, or the charges to operating expenses for depreciation on Equipment during such year, as the case may be, will be insufficient to cover the expenditures by the amount of the funds to be so used out of the Capital Fund, and (ii) an Officers' Certificate specifying, in case of any expenditure under clause (b), the total estimated fixed interest and unconditional sinking fund requirements of the Railroad Company for the calendar year then current and the estimated amount of income before fixed charges for such year available therefor, and, in case of any expenditure under clause (c), the total amount maturing during the current calendar year as the principal of Equipment Trust Obligations and sinking fund obligations with respect thereto, and the amount charged and the estimated amount to be charged to operating expenses for depreciation on Equipment during such year.

Within 10 days after reimbursement of the Capital Fund by the restoration thereto of the amount of such expendi-

SECTION 2. PART A. The Railroad Company covenants that Available Net Income as determined for each calendar year, beginning with the calendar year 1944, shall be applied as provided in this Section 2.

The Available Net Income for the calendar year 1944 and for each calendar year thereafter shall be determined from the accounts of the Railroad Company not later than April 1 of the following calendar year; and Available Net Income for each calendar year shall be applied, to the extent that the same shall suffice therefor, during the succeeding calendar year for the following purposes and in the following order:

(a) To the extinguishment of any deficit or deficits in Available Net Income of the Railroad Company for prior years, including the reimbursement of the Capital Fund for expenditures made therefrom under clause (b) of Part B of Section 1 of this Article V not previously reimbursed;

(b) To the payment of the currently payable contingent interest on all First Mortgage Bonds then outstanding;

(c) To the payment of any amounts currently required to be paid into any sinking fund established for the retirement of any First Mortgage Bonds issued for or on account of the acquisition or construction of Equipment;

(d) To the payment, first of the current annual instalment, and next of any deficit in the annual instalment for the next preceding calendar year, to be paid into the Capital Fund out of Available Net Income pursuant to the provisions of Part A of Section 1 of this Article;

(e) To the payment of any then unpaid contingent interest that shall have accumulated on all First Mortgage Bonds then outstanding;

(f) To the payment of interest on all Outstanding Bonds;

viding for such obligation has been terminated and released, whether by refunding or otherwise, the requirement to apply Available Net Income for such obligation in the order provided in this Section 2 shall cease and the amount of Available Net Income otherwise required to be applied thereto, after meeting all remaining requirements, if any, of like priority, shall be applied thereafter to the remaining purposes in the order of priority specified.

PART C. Within 90 days after December 31, 1944, and within 90 days after each December 31 thereafter, the Railroad Company shall file with the Trustee a Resolution determining the Available Net Income for the preceding calendar year, and a report signed by the President or a Vice President, and by the Comptroller, Treasurer or an Assistant Treasurer of the Railroad Company, showing (i) the calculations in reasonable detail of the amount of Available Net Income for the preceding calendar year, (ii) the amount of any accumulated interest on First Mortgage Bonds, and (iii) the payments made by the Railroad Company during the preceding calendar year pursuant to the provisions of this Section 2.

In determining Available Net Income for any year the members of the Board of Directors may rely upon and shall be fully protected in relying upon any statement signed by the Chief Accounting Officer as to any facts set forth therein and upon advice of counsel as to the meaning and application of any provision of the Mortgage.

The Railroad Company shall, on or before April 15 of each year, beginning with the year 1945, publish a notice, stating the amount of interest payable on the Bonds of Series A, or that no interest is payable on the Bonds of Series A, on the succeeding May 1, once in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and once in a

$50,000 the Trustee shall apply such balance to the redemption of Outstanding Bonds of Series A, on the next interest payment date applicable to Bonds of Series A, at the redemption price specified in Section 1 of this Article IV. The Trustee shall give notice of such redemption in the name of the Railroad Company in the manner and in accordance with the applicable provisions of this Article IV; and the Trustee is hereby appointed the agent of the Railroad Company for such purpose. The Railroad Company covenants that whenever any redemption of Bonds of Series A shall be required under the provisions of this Section 6, it will at the request of the Trustee take all action necessary, and authorize the Trustee to take all action necessary, to redeem such Bonds on the date specified by the Trustee.

The Railroad Company covenants that in connection with any redemption of Bonds of Series A under this Section 6 it will deposit with the Trustee, in addition to funds theretofore deposited in the Series A Sinking Fund, moneys sufficient to pay on or before the date fixed for redemption all unpaid interest thereon that has become payable for prior years and interest on said Bonds from January 1 of the then current year to the date fixed for redemption, at the rate of 4% per annum.

All advertising and publishing costs and other expenses incurred in the purchase or redemption of such Bonds, and all amounts paid on account of interest in the purchase of such Bonds, shall be paid by the Railroad Company, or, if paid by the Trustee, shall be repaid by the Railroad Company to the Trustee upon demand.

All Bonds of Series A purchased or redeemed by the Trustee pursuant to the provisions of this Section 6 shall be cancelled by the Trustee and shall not be reissued or refunded

ARTICLE V

Special Covenants

Section 1. Part A. The Railroad Company covenants that it will create and maintain a fund to be known as the "Capital Fund" and that on or before April 1 of each year, beginning with the year 1945, and continuing as long as any Bonds are outstanding under the Mortgage, it will pay into the Capital Fund the sum of $250,000 plus such additional amount, if any, as the Board of Directors by the affirmative vote of not less than two-thirds of the whole Board of Directors shall determine and authorize, subject, however, to the following:

(1) The payment of $250,000 for any year shall be made only from the following sources and in the following order, and to the extent such sources are adequate therefor, respectively: *First,* from the cash arising out of the credits, if any, to the reserve for depreciation representing accruals for depreciation on roadway and structures for the next preceding calendar year, and *Second,* from Available Net Income for such next preceding calendar year applicable therefor in accordance with the provisions of clause (d) of Part A of Section 2 of this Article V; provided, however, if there is a deficit in Available Net Income for such preceding calendar year, the amount to be paid into the Capital Fund in any such year pursuant to this clause (1) need not exceed the amount obtained by subtracting the deficit in Available Net Income from such credits, if any, to the reserve for depreciation. If in any year such sources are not adequate therefor, the deficit in the payment pursuant to this clause (1) for such year may, in the discretion of the Board of Directors, be made up from such sources, and in the same order, in the next succeeding calendar year (but not thereafter) after having first made provision for the then current payment pursuant to this clause (1), and shall be paid into the Capital Fund in such succeeding calendar year.

in Article I, or through funds made available by salvage credited to profit and loss or to depreciation reserve, or through the issuance of Bonds, First Mortgage Bonds or Equipment Trust Obligations, or through having been made the basis for the release of any property from the lien of the Mortgage or of the First Mortgage or for the withdrawal, payment or application of any cash held by the Trustee under any provision of the Mortgage or of any cash held by the Trustee of the First Mortgage under any provision thereof.

(b) In any calendar year and in the discretion of the Board of Directors, to pay the fixed interest, if any, on obligations of the Railroad Company for such year, and any unconditional sinking fund requirements of the Railroad Company for such year on the outstanding Bonds or First Mortgage Bonds or any other bonds secured by mortgage lien on the properties of the Railroad Company, if and to the extent that the estimated income available for fixed charges of the Railroad Company for such year under the Uniform System of Accounts will be insufficient therefor in the opinion of the Board of Directors; and

(c) In any calendar year and in the discretion of the Board of Directors, to pay the principal of Equipment Trust Obligations and sinking fund obligations with respect thereto, as they severally mature during such year, but only if and to the extent that the aggregate amount charged and the estimated amount to be charged to operating expenses for depreciation on Equipment during such year will be less, in the opinion of the Board of Directors, than the amount of the funds to be so used.

In the event that income available for fixed charges of the Railroad Company under the Uniform System of Accounts or the amount charged to operating expenses for depreciation on Equipment, as the case may be, as finally determined for the year in question, was sufficient to have covered the expenditures, if any, from the Capital Fund under clauses (b) and (c) of this Part B, the Railroad Company covenants to reimburse the Capital Fund immedi-

tures under clause (b) or clause (c) or both of such clauses, there shall be filed with the Trustee an Officers' Certificate stating the amount of such reimbursement and the source from which the funds effecting such reimbursement were derived.

Part C. The Railroad Company has concurrently with the execution and delivery of the Mortgage paid into the Capital Fund the sum of $500,000, which is the maximum amount that could have remained in the Capital Fund on December 31, 1943, if the Mortgage and the provisions of this Section 1 had been operative from January 1, 1941.

Part D. The Railroad Company covenants that on or before April 1 of each year, beginning with the year 1945, it will file with the Trustee a report signed as in the case of an Officers' Certificate, which report shall state separately with respect to the preceding calendar year (i) the amounts of all payments into the Capital Fund required or permitted under the provisions of Part A of this Section 1 and a computation showing the determination of such amounts in accordance with the provisions of said Part A; (ii) the amounts of all expenditures from and unexpended appropriations of the Capital Fund made pursuant to the provisions of Part B of this Section 1, together with a description thereof in reasonable detail; (iii) the amounts of any reimbursements of the Capital Fund pursuant to the provisions of Part B of this Section 1; and (iv) the unappropriated balance in the Capital Fund at the close of such calendar year; and if any expenditures have been made under the provisions of clause (a) of Part B of this Section 1 a statement of the manner in which the balance of Expenditures for Additions and Betterments, or expenditures for the acquisition or construction of Equipment, a portion of which has been paid by expenditures from the Capital Fund, has been otherwise financed.

(g) To the payment of any amounts currently required to be paid into any sinking fund established by the Mortgage for the retirement of any Bonds;

(h) Any remaining Available Net Income may be applied as the Board of Directors may determine to the payment of dividends on the capital stock of the Railway Company or to any other proper corporate purposes.

No contingent interest shall be required to be paid under any provision of this Section 2 if the amount so to be paid would be less than ¼ of 1% on each $100 of the principal amount of any contingent interest bearing obligation, and all payments of contingent interest shall be made in multiples of ¼ of 1% on each $100 of the principal amount of such obligation. Any excess available for interest not paid because of this provision shall be retained by the Railroad Company and added to the amount available for such interest in the succeeding income period or periods.

Part B. The order of priority for the disposition of Available Net Income set forth in clauses (a) to (h) of Part A above shall be subject to the following:

(i) The sinking fund requirements with respect to any issue of First Mortgage Bonds, other than First Mortgage Bonds issued for or on account of the acquisition or construction of Equipment, may have such position with regard to priority of application of Available Net Income as may be determined by the Board of Directors at the time of the issue thereof.

(ii) If the contingent interest on any First Mortgage Bonds shall become fixed interest, or if any obligation of the Railroad Company on the Bonds or First Mortgage Bonds shall cease to be an obligation of the Railroad Company, either through payment or satisfaction in full, or if for any other reason the indenture securing or pro-

Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota. A copy of such notice shall be mailed by or on behalf of the Railroad Company to all registered holders of coupon Bonds registered as to principal and of registered Bonds without coupons, at their last addresses as they shall appear upon the bond registry books.

Section 3. Whenever the acquisition of Equipment is made the basis for the authentication and delivery of Bonds, the Railroad Company shall, by supplemental indenture, establish a sinking fund for the retirement of Bonds and shall covenant therein to pay to the Trustee on each May 1 thereafter, to the extent of Available Net Income applicable thereto pursuant to clause (g) of Part A of Section 2 of this Article V, an amount in money equal to 1/15th of the amount of Bonds authenticated in respect of such Equipment until fifteen such payments have been made. If such Equipment or any part thereof shall have been in use for a period of more than six months at the time of an Application for the authentication of Bonds, the amount of Expenditures for Additions and Betterments represented by such Equipment as shown in such Application shall be reduced by 1/15th for each year or fraction thereof of prior life of such Equipment and the amount of Bonds that may be authenticated on account thereof shall be reduced accordingly; and the amount of payments to the Trustee on each May 1 above specified shall be increased by such an amount as to make said annual payments to the Trustee equal in the aggregate, over a period of 15 years diminished by one year for each year or fraction thereof of prior life of such Equipment, the amount of such Bonds which the Railroad Company would be entitled to receive.

The moneys paid into such sinking fund shall be held by the Trustee and applied to the retirement of Bonds in accordance with the provisions of the supplemental indenture creating such sinking fund.

SECTION 4. Whenever the acquisition of Equipment is made the basis for the withdrawal, payment or application of any cash held by the Trustee under any provision of the Mortgage, the Railroad Company covenants to pay to the Trustee on each May 1 thereafter an amount of money equal to 1/15th of the amount of cash so withdrawn, paid or applied until fifteen such payments have been made. If such Equipment or any part thereof shall have been in use for a period of more than six months at the time of application for such withdrawal, payment or application, the amount of Expenditures for Additions and Betterments represented by such Equipment, and the amount of cash that may be withdrawn, paid or applied, shall be reduced in the same manner and to the same extent as provided in the first paragraph of Section 3 of this Article V.

Such moneys shall be held and applied by the Trustee as in the case of money deposited upon the release of mortgaged property in the manner provided in Section 7 of Article VIII.

SECTION 5. As and for a Series A Sinking Fund for the retirement of Bonds of Series A, the Railroad Company

(a) has deposited with the Trustee, concurrently with the execution and delivery of the Mortgage, the sum of $301,935, being the aggregate of the maximum amounts which would have been required to be deposited with the Trustee under clause (b) of this Section 5 out of Available Net Income for the calendar years 1941, 1942 and 1943, if the Mortgage and the provisions of said clause (b) had been operative from January 1, 1941; and

(b) covenants that on or before May 1, of each year, beginning with the year 1945, it will deposit with the Trustee an amount equal to ½ of 1% of the aggregate principal amount of Bonds of Series A originally issued hereunder, or such amount as may be applicable for such purpose out of Available Net Income for the preceding

ARTICLE VI

GENERAL COVENANTS

The Railroad Company covenants as follows:

SECTION 1. The Railroad Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on the Bonds at the times and at the place or places and in the manner and to the extent specified therein and in the coupons.

SECTION 2. (a) The Railroad Company will maintain in the City of Chicago, State of Illinois, and in the Borough of Manhattan, City and State of New York, and in each other city, if any, at which the principal of or interest on any of the Bonds is payable, an office or agency where payment of the principal of and interest on Bonds may be made, as in Article II provided, and where notices, presentations and demands to or upon the Railroad Company in respect of such Bonds or coupons appertaining thereto as may be payable at such place or in respect of the Mortgage may be given or made. The Railroad Company will give to the Trustee notice of the location of any such office or agency and of any change of location thereof. In case the Railroad Company shall fail to maintain such an office or agency or shall fail to give such notice of the location or of any change in the location thereof, notices, presentations and demands may be given or made at the principal office of the Trustee. The Railroad Company will also maintain in said City of Chicago, in said Borough of Manhattan, and in such other city, if any, where it is provided, pursuant to Article II, that such Bonds may be registered, transferred and exchanged, an office or agency where such registration, transfer and exchange may be made.

(b) If the Railroad Company shall appoint a paying agent other than the Trustee, it will cause such paying agent to

SECTION 3. The Railroad Company will execute and deliver, or will cause to be executed and delivered, all such further deeds, mortgages, assignments and transfers as may be required for the better mortgaging, assigning and confirming to the Trustee the property hereby mortgaged, conveyed or assigned, or intended so to be, or which the Railroad Company may hereafter become bound to convey or assign to the Trustee.

The Railroad Company will deliver to the Trustee on or before the first day of March in each year after the year 1944 a report signed by its President or a Vice President setting forth in reasonable detail a description including the location (except in the case of Equipment) of any substantial items of real and personal estate, rights and franchises acquired within the previous calendar year together with an Opinion of Counsel that no further deeds, mortgages, assignments or transfers are required to be executed and delivered by the Railroad Company under the provisions of this Section 3, except such instruments as shall be specified in such opinion.

SECTION 4. The Railroad Company owns and is lawfully possessed of the lines of railroad, property and franchises referred to in the granting clauses hereof, and is duly authorized to operate and does operate said lines of railroad, and covenants and agrees to execute any and all instruments and do any and all acts or things necessary or proper to perfect its title to the same or any thereof, and, subject to the provisions of Article IX hereof, to take all steps and do all acts necessary to continue and maintain its corporate existence and authority to operate its lines of railroad.

SECTION 5. The Railroad Company, from time to time as they shall become due, will make, or cause to be made, any and all payments required to be made under and by the terms of any Equipment Trust Obligation, including those described

the lien or interest of the Trustee in respect of the mortgaged property or the income thereof, so that the lien and priority of the Mortgage shall be fully preserved at the cost of the Railroad Company without expense to the Trustee or the Bondholders; provided, however, that the Railroad Company shall not be required to pay any such taxes, assessments or governmental charges (i) so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby, in the judgment of the Trustee, the security afforded by the Mortgage will be materially impaired or endangered, or (ii) on property it has abandoned pursuant to permission granted by the Interstate Commerce Commission or other public regulatory body having jurisdiction in the premises, or (iii) on property it has abandoned where no public regulatory body has jurisdiction if the property abandoned is no longer necessary for the maintenance or operation of the lines of railroad subject to the lien of the Mortgage.

SECTION 8. The Railroad Company, from time to time as the same shall become due and payable, will observe and perform all of its obligations under, and will pay and discharge all sums payable by virtue of, any lease or trackage agreement held by it and subject to the lien of the Mortgage and which is reasonably necessary for the maintenance and operation of the lines of railroad subject to the lien of the Mortgage, and will not suffer or permit any default for which such lease or trackage agreement may be terminated, so that, subject to the provisions of Articles VIII and IX hereof, the interest of the Railroad Company in all such leasehold estates or trackage agreements shall be preserved unimpaired as security for the Bonds and coupons hereby secured.

Nothing in this Section 8 contained shall require the Railroad Company to make any such payments or to observe any

and economic operation of its properties, the Railroad Company will diligently preserve all of the rights and franchises granted to it or conferred upon it, and will maintain, preserve and keep the same and every part thereof, and will at all times maintain, preserve and keep its railroads, fixtures and appurtenances in good repair, working order and condition and will from time to time make all needful and proper repairs thereto and renewals and replacements thereof, and will at all times keep the lines of railroad subject to the Mortgage supplied with Equipment, machinery, tools and other supplies, will maintain the same in good order and condition, reasonable wear and tear excepted, and will from time to time make all needful and proper repairs thereto and renewals and replacements thereof.

SECTION 11. Subject to the terms and provisions of Articles VIII and IX, the Railroad Company will maintain its property, rights and franchises and continue the full enjoyment thereof so as to maintain the general continuity of its lines of railroad between the principal points served by it as of the date of the execution and delivery of the Mortgage and from time to time thereafter.

SECTION 12. The Railroad Company will forthwith deposit and pledge with the Trustee all shares of stock or other securities of any corporation which may be owned or acquired by the Railroad Company after the date such corporation shall become a Qualified Subsidiary. All such stocks and securities of any Qualified Subsidiary so deposited with the Trustee shall constitute further security for the Bonds under the terms and conditions of Article VII. Any such stock or other securities of a Qualified Subsidiary so deposited and pledged under the provisions of this Section 12 may be made the basis, then or from time to time thereafter, for the authentication and delivery of Bonds and the withdrawal, payment or application of any cash held by the Trustee under any pro-

Company from extending or renewing any obligations so secured.

SECTION 15. The Railroad Company will maintain a record of all Equipment subject to the lien of the Mortgage and will furnish to the Trustee at least once in each period of 3 years following the date of the execution and delivery of the Mortgage a statement of the number of units by classes of said Equipment, and showing separately the Equipment and the expenditures therefor that are held under or are subject to Equipment Trust Obligations, and specifying the amount and maturities of all such Equipment Trust Obligations.

SECTION 16. The Railroad Company will cause the Mortgage and every supplemental indenture or instrument purporting to create a lien upon the mortgaged property to secure the Bonds, to be recorded and filed and re-recorded and refiled to the extent necessary to make effective and maintain the lien intended to be created thereby, and will, on or before the first day of March in each year after the year 1944, furnish to the Trustee an Opinion of Counsel either stating that in the opinion of such counsel the Mortgage and all supplemental indentures or other instruments supplemental thereto have been properly recorded and filed and re-recorded and refiled, as the case may be, so as to make effective and maintain the lien intended to be created thereby, or stating that in the opinion of such counsel no such action is necessary to make such lien effective and to maintain the same.

SECTION 17. The Railroad Company will cause all Equipment at any time subject to the lien of the Mortgage to be insured against damage or destruction by fire, and all structures and facilities at any time subject to the lien of the Mortgage (having an insurable value, either individually or

calendar year under clause (g) of Section 2 of this Article V, whichever is less.

Moneys deposited with the Trustee under the provisions of this Section 5 shall be applied to the purchase or redemption of Bonds of Series A in accordance with the provisions of Section 6 of Article IV.

SECTION 6. The Railroad Company covenants that, within ten days after the receipt thereof, it will deposit and pledge with the Trustee all moneys, bonds, stocks or other securities or interest therein which may be received by the Railroad Company at any time hereafter in payment, exchange or substitution for the securities and rights in and claims against Wisconsin Central Railway Company now owned by the Railroad Company. All moneys so received by the Trustee shall be held and disposed of as in the case of moneys deposited upon the release of mortgaged property as provided in Section 7 of Article VIII; and all securities or interests therein so received by the Trustee shall be deemed to be Bonded.

So long as the First Mortgage remains a lien on the mortgaged property, the requirements of this Section 6 with respect to the pledge and deposit with the Trustee of such moneys, bonds, stocks or other securities or interests therein shall be deemed to require the pledge and deposit thereof with the trustee under the First Mortgage subject to the terms thereof, instead of with the Trustee, and the filing with the Trustee of a statement of the trustee under the First Mortgage certifying to such pledge and deposit.

SECTION 7. The Railroad Company covenants that it will not issue any First Mortgage Bonds pursuant to the provisions of Sections 3, 4, 5 or 6 of Article III of the First Mortgage unless it shall have obtained the prior approval of the holders of not less than two-thirds in aggregate principal amount of the Outstanding Bonds represented at a meeting of the Bondholders duly called for such purpose by the Trustee in the manner provided in Article XI.

execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 2:

(1) that it will hold all sums held by it as such agent for the payment of the principal of (and premium, if any) or interest on any of the Bonds (whether such sums have been paid to it by or on behalf of the Railroad Company or any other obligor on the Bonds) in trust for the benefit of the holders of such Bonds or the coupons for such interest, as the case may be; and

(2) that it will give the Trustee notice of any failure by the Railroad Company (or by any other obligor on such Bonds) to make any payment of the principal of (and premium, if any) or interest on such Bonds when the same shall be due and payable, which shall come to its notice or knowledge as such paying agent.

(c) If the Railroad Company shall act as its own paying agent in respect of the Bonds of any series, it will, on or before each due date of the principal of (and premium, if any) or interest on such Bonds, set aside, segregate and hold in trust for the benefit of the holders of such Bonds or the appurtenant coupons, as the case may be, a sum sufficient to pay such principal (and premium, if any) and interest so becoming due and will notify the Trustee of any failure to take such action.

(d) The Railroad Company may, at any time, for the purpose of obtaining a release or satisfaction of the Mortgage or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it or by any paying agent pursuant to this Section 2, such sums thereafter to be held by the Trustee upon the same trusts as in this Section 2 provided.

(e) The agreement to hold sums in trust as provided in this Section 2 is subject to the provisions of Section 3 of Article XV.

in the granting clauses hereof, and will do or cause to be done all and every such further acts as may be necessary to assure to the Railroad Company the use of the Equipment to which such Equipment Trust Obligation relates and the ultimate acquisition of complete title thereto.

Nothing in this Section 5 contained and nothing in any other provision of the Mortgage, expressed or implied, is intended or shall be construed to limit the right or power of the Railroad Company, which is hereby expressly reserved, prior to the maturity of any such Equipment Trust Obligation, to extend the balance of the rental or other payments remaining to be paid thereunder or secured thereby or to refinance the same by entering into a new Equipment Trust Obligation.

SECTION 6. The Railroad Company will well and truly pay and discharge or cause to be paid or discharged upon presensation thereof for payment when due the principal of all obligations having a lien on the mortgaged property or any part thereof prior to the lien of the Mortgage; and until paid or discharged at maturity or otherwise it will pay or cause to be paid the interest payable thereon at the time and at the place or places set forth therein or in the coupons attached thereto; and that it will prevent any default or other thing from happening whereby the right might arise to enforce by foreclosure or otherwise any such obligations; provided, however, that the Railroad Company may extend or renew any such obligations.

SECTION 7. The Railroad Company, from time to time, will pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges (the lien whereof would be prior to the lien of the Mortgage) lawfully imposed upon the mortgaged property or upon any part thereof, or upon the income and profits thereof, and also all taxes, assessments and governmental charges lawfully imposed upon

such obligations so long as the Railroad Company in good faith shall contest its liability for any such payments or its duty to observe any such obligations, unless in the opinion of the Trustee such action will materially impair or endanger the interests of the Bondholders.

SECTION 9. Subject to the provisions of Articles VIII and IX, the Railroad Company covenants and agrees that the Mortgage is and always will be kept a lien upon all of the mortgaged property, subject only to the liens prior thereto specified or referred to in the granting clauses hereof, the right, charge, lien or title of Equipment Trust Obligations, Permitted Encumbrances, and purchase money liens on property acquired after the date hereof and liens thereon existing at the time of such acquisition, and that it will not voluntarily create, or suffer to be created or to arise, any other lien or charge having priority to, preference over or parity with the lien of the Mortgage upon the mortgaged property, or any part thereof, or upon the income thereof; and that, within six months after the same shall be payable, 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 over the Mortgage as a lien or charge upon the mortgaged property or any part thereof, or the income thereof; provided, however, that the Railroad Company shall not be required to pay any such debt, lien or charge so long as it shall, in good faith, by appropriate legal proceedings, contest the validity thereof or the amount thereof unless thereby, in the opinion of the Trustee, the interests of the Bondholders will be materially impaired or endangered.

SECTION 10. Subject to the provisions of Articles VIII and IX, and to the extent needful and proper for the efficient

vision of the Mortgage, to the extent, in the manner and subject to the conditions set forth in the Mortgage.

So long as the First Mortgage shall remain a lien on the mortgaged property, the deposit and pledge by the Railroad Company of such stocks and securities of Qualified Subsidiaries with the trustee of the First Mortgage pursuant to the provisions of Section 12 of Article VI of the First Mortgage, as evidenced by a statement of the trustee of the First Mortgage certifying to such pledge and deposit filed with the Trustee, shall constitute a compliance by the Railroad Company with the provisions of this Section 12.

SECTION 13. The Railroad Company will not procure the authentication and delivery of any Bonds hereunder, the release of any property herefrom, or the withdrawal, payment or application of any cash held by the Trustee under any provision of the Mortgage, except upon compliance by the Railroad Company with the applicable provisions of the Mortgage; and will not issue any other obligations or securities except common stock with respect to Expenditures for Additions and Betterments to the extent such Expenditures are financed by means of expenditures from the Capital Fund.

SECTION 14. The Railroad Company will not increase or permit to be increased in principal amount any of its obligations (other than Bonds, Equipment Trust Obligations and Permitted Encumbrances) which are at the time of the making or assuming of such obligations secured by a lien on the mortgaged property, or any part thereof, prior to or on a parity with the lien of the Mortgage unless the obligations representing such increase so secured by any such lien are forthwith deposited and pledged with the Trustee to be held subject to the provisions of Article VII; provided that nothing in this Section 14 contained shall prevent the Railroad

in concentrated groups, of $10,000 or more) to be insured against damage or destruction by fire or tornado, in such amounts as shall conform to general standards prescribed from time to time by the Board of Directors. On or before March 1, 1945, and on or before March 1 in each year thereafter, and at any other time upon the request of the Trustee, so long as the Mortgage shall remain in force, the Railroad Company will furnish to the Trustee an Officers' Certificate stating in general the character and extent of the insurance then maintained by the Railroad Company and stating that the same complies in all respects with the requirements of this Section 17.

If the proceeds from any such insurance or from any other insurance on the mortgaged property shall exceed the sum of $25,000 in respect of any one loss, such proceeds shall, subject to the requirements of the First Mortgage or any Prior Lien or Equipment Trust Obligation on such property, be paid by the Railroad Company to the Trustee and shall be set apart and held in trust by it and applied, pursuant to the written request of the Railroad Company (if an Event of Default shall not have occurred and be continuing) to the repair, restoration or replacement of the property damaged or destroyed, or to the purchase of other property, real or personal, including Equipment, or to the making of additions to, or extensions or improvements of, property now or hereafter subject to the lien of the Mortgage, or to reimburse the Railroad Company for any expenditures made by it after the date of such loss for any of said purposes. The written request of the Railroad Company, signed as in the case of an Officers' Certificate, shall set forth the nature of such repairs, restorations, replacements, purchases, additions, extensions or improvements and the cost thereof and shall be accompanied by an Opinion of Counsel that the same are or will become subject to the lien of the Mortgage as hereinafter

in this Section 17 provided. Such request and Opinion of Counsel shall constitute a sufficient warrant and direction to the Trustee for the expenditure of said proceeds in accordance with said request.

If such proceeds be $25,000 or less in respect of any one loss they shall be applied by the Railroad Company to or for the purposes above specified.

Any property acquired by the Railroad Company out of the proceeds of insurance as aforesaid and any and all repairs, restorations, replacements, purchases, additions, extensions and improvements to property subject to the lien of the Mortgage made out of such proceeds, subject to the requirements of the First Mortgage or any Prior Lien or Equipment Trust Obligation on the property with respect to which such insurance was collected, shall, ipso facto, become and be subject to the Mortgage as fully as though specifically mortgaged or assigned hereby, but, in the case of property repaired or restored, only in the same manner and to the same extent as the property with respect to which such insurance was collected.

SECTION 18. The Railroad Company will permit the Trustee, through its agents, to inspect the mortgaged property or any portion thereof at any time and from time to time, and will comply with all reasonable requests of the Trustee to furnish such information as the Railroad Company may have with respect to the mortgaged property.

SECTION 19. If any Expenditures for Additions and Betterments located on any leasehold shall have been Bonded hereunder, there shall be deposited with the Trustee upon the termination of such leasehold, subject to the requirements of the First Mortgage, all amounts paid to the Railroad Company pursuant to the terms of such lease in reimbursement for such Expenditures. All amounts so received by the Trus-

ARTICLE VII

PLEDGED SECURITIES

SECTION 1. As used in this Article VII the word "debt-security" shall include bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money; the word "stock" shall mean any proprietary interest in a corporation or other analogous legal entity or certificates evidencing the same; and the word "securities" shall mean either debt-securities or stock as thus defined, or both.

All securities deposited with the Trustee and pledged hereunder, shall be delivered to the Trustee and held by the Trustee in accordance with the provisions of the Mortgage, subject to the lien thereof, and if not already in bearer form, or issued in the name of the Trustee, shall be duly endorsed in blank for transfer or accompanied by appropriate instruments of assignment and transfer in blank. All debt-securities so deposited and pledged may be in temporary or definitive form, and shall be accompanied by all appropriate coupons appertaining thereto, if any, and, if susceptible of registration as to principal or interest, may if the Trustee so determines, and shall if the Railroad Company so requests, be registered, or exchanged for securities issued, in the name of the Trustee or its nominee or nominees. Any securities at any time deposited and pledged with the Trustee may if the Trustee so determines, and shall if the Railroad Company so requests, be stamped by the Trustee with an appropriate legend to the effect that the same are held in trust for the purposes declared in the Mortgage. The Trustee shall not be obligated to examine or pass upon the validity or genuineness of any securities and their accompanying assignments tendered for deposit and pledge with it, including any mentioned and described in the granting clauses hereof.

may be received or collected by the Trustee representing interest and earned cash dividends. The Trustee, from time to time and upon receipt of written notice from the Railroad Company that any installment of interest has been paid on any debt-security payable to bearer but without interest coupons, shall note or permit to be noted thereon the fact of such payment;

3. The Trustee (except with consent of the Railroad Company or as otherwise expressly authorized by the Mortgage), whether at, before or after the maturity thereof, shall not collect, or be entitled to enforce the collection or payment of, the interest on any debt-securities deposited and pledged hereunder, or to enforce any provision of or exercise any right under any mortgages, trust deeds or other instruments under or pursuant to which such debt-securities were issued, or by which the same are secured;

provided, however, and it is hereby declared and agreed that, except as in the Mortgage otherwise expressly provided:

(i) The Railroad Company shall not be entitled to collect or receive and the Trustee shall not pay over or deliver to the Railroad Company, and if collected or received by the Railroad Company it shall forthwith pay over or deliver to the Trustee, with respect to any securities deposited and pledged or required to be deposited and pledged hereunder, (a) the principal, in whole or in part of any debt-security; (b) any interest on any debt-security which shall have been collected or paid out of the proceeds of any sale or condemnation of, or the proceeds of insurance on, the property covered by a mortgage or other lien securing such security, or out of the proceeds of sale of any property of the corporation liable upon such security in case of the dissolution, liquidation or winding up of such corporation, or out of any other proceeds of capital assets, it being the intent of the Mortgage that the Railroad Company shall be entitled to receive only interest paid out of the revenues, rents, earnings, profits, or income; (c) any amounts paid on redemption of any security, other than on account of accrued interest or dividends; (d) any liquidation divi-

SECTION 3. The Railroad Company and the Trustee, or either of them, at any time and from time to time may do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation the securities of which shall at the time be deposited and pledged under the Mortgage; but it shall be no part of the duty of the Trustee to take any action in respect thereof; and for such purpose the Trustee, from time to time, may sell, assign, transfer and deliver so many shares of the stock of any such corporation at the time deposited and pledged hereunder as may be necessary to qualify persons to act as directors of, or in any other official relation to, such corporation. In every such case the Railroad Company shall make such arrangements with the Trustee as shall be deemed necessary by the Trustee for the protection of the trusts hereunder.

SECTION 4. Unless and until an Event of Default shall have occurred and be continuing, the Railroad Company shall have the right from time to time to vote and give consents in respect of all securities at the time deposited and pledged hereunder for all purposes not contrary to the provisions of the Mortgage or inconsistent therewith and to consent to, ratify or waive notice of any and all meetings, with the same force and effect as though such securities were not subject to the lien hereof; and the Trustee in respect of securities at the time issued in its name or in the name of its nominee or nominees, from time to time, upon the written request of the Railroad Company, shall give suitable waivers of notice and consents and deliver to the Railroad Company or to its nominee or nominees, suitable powers of attorney or proxies with or without power of substitution and either generally or for such one or more objects as such proxy shall specify. The Railroad Company covenants that it will not vote or permit to be voted or give or permit to be given any consent in

(c) any of the property covered by any mortgage securing any debt-security at the time deposited and pledged under the Mortgage shall be sold in foreclosure proceedings or other proceedings for the enforcement of such mortgage or the debt-security thereby secured,

then and in any such event, if the property of such dissolved or liquidating corporation or the property sold can be acquired by crediting on the securities so pledged then held by the Trustee under the Mortgage any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than 10% of the price of such property in cash (or more than 10% if the Railroad Company or the holders of 25% in principal amount of the Outstanding Bonds shall so request), the Trustee in its discretion may, and if requested in writing by the Railroad Company or the holders of 25% in principal amount of the Outstanding Bonds and upon being provided with the amount of cash necessary therefor (whether such amount be more or less than 10% of the price of such property) and security or indemnity satisfactory to it against any expense or liability on its part, shall, purchase or cause to be purchased such property, either in the name or on behalf of the Trustee or of the Railroad Company or of purchasing trustees, as the Trustee may determine, and the Trustee shall use, or permit the Railroad Company to use, such securities so far as may be permissible to make payment for such property. In the event of any such purchase, the Trustee shall take such steps as it may deem proper to cause such property to be vested either in the Railroad Company and subjected to the direct lien of the Mortgage (in which event, if such securities were theretofore Bonded, the Railroad Company covenants not to use any such property as a basis for the authentication and delivery of any Bonds, or the release of any property, or the withdrawal, payment or application of any cash held by the

SECTION 7. In case a corporation any of the securities of which shall at the time be deposited and pledged under the Mortgage shall be consolidated with or merged into, or shall convey all or substantially all of its properties to, the Railroad Company, then in such case any stocks and debt-securities, whether or not secured, so deposited and pledged and then in the possession of the Trustee shall be surrendered to the consolidated corporation or to the Railroad Company, as the case may be, but only if, as evidenced by an Opinion of Counsel furnished to the Trustee, (a) by virtue of such consolidation or merger and the application of the provisions of Article IX the lien of the Mortgage has extended to the property of such corporation the securities of which are so surrendered, and (b) in the case of any debt-securities so surrendered which are secured by a lien on the property of such corporation, the lien of the Mortgage resulting from such consolidation or merger is substantially equivalent to the lien securing such debt-securities. The Railroad Company covenants that it will not use any property of any corporation (if its securities were theretofore Bonded) which it shall acquire as aforesaid, and which shall constitute Additions and Betterments, as a basis for the authentication and delivery of any Bonds, or the release of any property, or the withdrawal, payment or application of any cash held by the Trustee, under any provision of the Mortgage.

SECTION 8. Unless an Event of Default shall have occurred and be continuing, the following transactions may be carried out and consummated, subject, however, to compliance with the terms and conditions hereinafter in this Section 8 contained:

(i) The renewal or extension of any debt-security at the time deposited and pledged hereunder at the same or a lower or higher rate of interest;

tee shall be held and disposed of as in the case of moneys deposited upon the release of mortgaged property as provided in Section 7 of Article VIII.

SECTION 20. The Railroad Company covenants that, as and when there shall be filed with, or delivered to, the trustee under the First Mortgage pursuant to any provision thereof, any report, statement, certificate, opinion, copy of resolution, deed, conveyance, assignment or other document or proof, a duplicate or authenticated copy thereof will be filed with the Trustee.

SECTION 21. The Railroad Company covenants that each year as soon as practicable after the preparation of the annual report to stockholders, commencing with the year 1945, it will mail to each registered holder of Bonds of Series A an annual report in form similar to the annual report furnished by the Railroad Company to its stockholders, and will file a copy of said report with the Trustee.

The Trustee at any time may accept any pledge, assignment or transfer of any securities which may be made to it by the Railroad Company, or others with the written consent of the Railroad Company, and the same if so accepted shall thereupon become a part of the mortgaged property.

SECTION 2. Unless and until an Event of Default shall have occurred and be continuing, and except as in the Mortgage otherwise expressly provided:

1. All certificates for shares of capital stock of the Saint Paul Union Depot Company at any time pledged hereunder shall be, and all other certificates for shares of capital stock which at any time are deposited and pledged hereunder may be, represented at all times by certificates issued in the name of the Railroad Company or in the name or names of its nominee or nominees. During the continuance of any Event of Default, all such shares of stock may be represented by certificates issued in the name of the Trustee or in the name or names of its nominee or nominees;

2. The Railroad Company shall be entitled, from time to time, to collect and receive for its own use all earned cash dividends which may be declared on shares of stock at the time deposited and pledged hereunder, and all sums which may become due and payable for interest upon debt-securities during the time so deposited and pledged; and the Trustee, from time to time, upon the written request of the Railroad Company, shall deliver to the Railroad Company necessary and suitable assignments and orders for the payment to it or upon its order of all such earned cash dividends which, from time to time, may be declared or become payable, and shall deliver to it all coupons pertaining to any such debt-securities, or suitable assignments and orders for the payment to it or upon its order of all such interest as and when such coupons or interest shall become due and payable or at any time within thirty days prior thereto; and the Trustee, upon the written request of the Railroad Company, shall, from time to time, pay over to the Railroad Company any and all sums which

dends consequent upon the dissolution, or total or partial liquidation or winding up, or reduction of stock, of any corporation; and (e) any other dividends, whether payable in stock, cash or property, excepting only earned cash dividends.

(ii) The Railroad Company shall not collect any such dividends, coupons or interest by legal proceedings or by the enforcement of any security therefor, except upon at least thirty days' prior written notice to the Trustee.

(iii) Until actually paid, cancelled or discharged, each coupon or right to interest or dividends shall remain subject to the lien of the Mortgage; and the Railroad Company shall not sell, assign or transfer any such coupon or right to interest or dividends. Upon the payment of any such coupon or interest, the Railroad Company, upon the demand of the Trustee, shall furnish to the Trustee satisfactory evidence of the cancellation and extinguishment thereof. The Railroad Company, at its election, may release and discharge, in whole or in part, any and all claims for interest on any Qualified Subsidiary Bonds at any time deposited and pledged hereunder, when and as such interest becomes due.

(iv) The Trustee shall be entitled to assume that all such interest has been or will be paid out of revenues, rents, earnings, profits, or income and that all dividends paid in cash are or will be earned cash dividends, unless and until the Trustee is notified in writing to the contrary by one or more Bondholders.

All moneys received by the Trustee in respect of any securities deposited and pledged hereunder, unless the Railroad Company shall be entitled to receive the same under the provisions of this Section 2, shall be applied by it as additional moneys deposited with it as and for the Series A Sinking Fund as provided in Section 6 of Article IV.

respect of any such securities for any purpose contrary to the provisions of the Mortgage or inconsistent therewith.

The Trustee, with the written consent of the Railroad Company, evidenced by a Resolution delivered to the Trustee, and without such consent if an Event of Default shall have occurred and be continuing:

(a) May at any time vote or give consents in respect of any securities at the time deposited and pledged hereunder and authorize such securities to be voted and such consents to be given and may take such other action as to the Trustee, in its discretion, shall seem advisable to protect the interests of the Trustee and of the Bondholders in respect of any securities at the time subject to the lien hereof;

(b) May in respect of any such securities join in or become party to any plan of reorganization or readjustment (whether voluntary or involuntary) of the corporation issuing such securities and deposit such securities under such plan and may make any exchange, substitution, cancellation or surrender of securities required by any such plan and take such action with respect to securities at the time subject to the lien hereof as may be required by such plan for the accomplishment thereof. All new securities issued under any such plan in exchange for securities previously deposited and pledged hereunder shall be deposited with the Trustee and held by it under and for the purposes expressed in the Mortgage.

SECTION 5. In case at any time

(a) any corporation, the securities of which shall at the time be deposited and pledged hereunder, shall be dissolved or liquidated, or

(b) all or any of the property of any such corporation shall be sold at any judicial sale, or

Trustee, under any provision of the Mortgage), or in some other corporatoin organized or to be organized with power to acquire and operate such property, in which event all securities of such other corporation acquired directly or indirectly through such use of the pledged securities shall be deposited and pledged hereunder in the place and stead of the latter, and shall be held by the Trustee as part of the mortgaged property.

SECTION 6. In case at any time

(a) default shall be made in the payment of the principal of or interest on any debt-security deposited and pledged hereunder, or

(b) default shall be made in any of the covenants, terms or conditions contained in any such debt-security or the mortgage or other instrument securing the same or under or pursuant to which the same shall have been issued, or

(c) the right shall arise to enforce, by foreclosure or otherwise, any such mortgage or other instrument,

then, and in any such case, upon the written request of the Railroad Company, accompanied by a Resolution authorizing the same, and without such request if an Event of Default shall have occurred and be continuing, the Trustee, as the holder of such debt-security, may in its discretion exercise any and all rights of the holder thereof and any and all rights under the mortgage or other instrument securing the same, or under or pursuant to which it was issued, and cause such proceedings as may be approved by counsel to be instituted and prosecuted in a court of competent jurisdiction to enforce the payment of the principal and interest on such debt-security and the performance of the covenants, terms or conditions therein and in such mortgage or other instrument contained and the foreclosure or other enforcement of such mortgage or other instrument, or otherwise.

(ii) The renewal or extension of any mortgage or other lien or instrument securing or covering any debt-securities at the time deposited and pledged hereunder;

(iii) The issue in substitution for any securities of a Qualified Subsidiary at the time deposited and pledged hereunder of other securities issued by the same Qualified Subsidiary, or in substitution for any Investment Securities at the time deposited and pledged hereunder pursuant to the provisions of Article III of other securities issued by the same issuing corporation, which, except in the case of common stock, shall be of the same or a greater principal amount or liquidation value in the aggregate, shall be secured by the same or an equivalent or prior lien, and shall bear the same or a higher or lower rate of interest or preferred dividend;

subject, however, to the following terms and conditions:

(1) All securities so renewed or extended (if replaced by new securities) and all securities for which new securities are substituted shall be delivered by the Trustee to the corporation issuing the same solely for retirement.

(2) All securities so issued in renewal, extension or substitution, shall forthwith upon the issue thereof be deposited and pledged hereunder to the same extent and in the same manner as the securities renewed or extended or for which they are substituted.

(3) No such substitution shall be made if it will reduce the percentage of the number of shares of any class of stock of any Qualified Subsidiary at the time deposited and pledged hereunder below 90% of the total outstanding shares of such class.

(4) No such substitutions shall be made if the substituted securities are of an issue junior to the securities to be retired.

(5) In each such case the Trustee shall be furnished with the following:

(A) An Officers' Certificate stating in substance as follows: (a) the securities (briefly described) to be renewed, extended or retired and the terms of such renewal, extension or retirement; (b) the securities (briefly described), if any, to be issued in substitution; (c) that the renewal, extension or substitution will be to the benefit and advantage of the Railroad Company and will not be detrimental to the interest or security of the Bondholders; (d) whether the securities to be renewed, extended or for which new securities are to be substituted are securities of a Qualified Subsidiary; (e) that if such new securities are to be substituted for securities of a Qualified Subsidiary such substitution will not, after the deposit and pledge of such new securities with the Trustee, reduce the number of shares of any class of stock of such Qualified Subsidiary then deposited and pledged hereunder below 90% of the total outstanding shares of such class; (f) that the securities, if any, to be issued in substitution will not be junior to the securities to be retired; and (g) that no Event of Default has occurred and is continuing.

(B) An Opinion of Counsel stating that such renewal, extension or substitution is in accordance with the provisions of the Mortgage and that any securities so to be renewed or extended will, upon such renewal or extension, and any new securities to be issued will, upon the issue and delivery thereof to the Railroad Company, be validly issued and outstanding and what they purport to be and validly owned by the Railroad Company; that whatever consent, authorization or approval on the part of any governmental authority is requisite for such ownership and pledge has been obtained; that all shares of stock, if any, included in such securities are full-paid and non-assessable; and that upon the deposit and pledge of said securities hereunder the Mortgage will constitute a valid, enforceable and direct lien thereon, free and clear of liens prior thereto.

ation of its properties, or is taken in compliance with the provisions of Part B of Section 1 of Article VIII;

(c) sell, exchange, or otherwise dispose of (1) any of its equipment, machinery, fixtures, apparatus, appliances, tools, implements and other movable or detachable property, which may have become worn out, unserviceable, undesirable or unnecessary for use in the conduct of its business, upon replacing the same by or substituting for the same (if not previously replaced or substituted) other property of equal or greater value or utility to such Qualified Subsidiary, and (2) materials, merchandise, equipment and supplies purchased for the purpose of resale or no longer needed or useful in the continued and efficient conduct of its business;

(d) surrender, or assent to or procure a modification of, any franchise, license or permit which it may now or hereafter hold, or under which it may now or hereafter operate, so long as the applicable provisions of Part B of Section 1 of Article VIII are complied with; or

(e) use and consume equipment, materials, merchandise and supplies, deal with contracts and choses in action, and alter, repair, replace, change the location or position of and add to, its roads, buildings, structures, systems, machinery, equipment, apparatus and other fixtures and appurtenances.

SECTION 10. The Railroad Company covenants that, except as permitted by paragraph (b) of Section 4 of this Article VII, no Qualified Subsidiary will increase the amount of its outstanding shares of stock of any class unless after such increase the percentage of shares at the time outstanding necessary to meet the requirements of a Qualified Subsidiary shall be pledged hereunder. In the event that the amount of any class of stock at the time outstanding of any Qualified

a lien upon the mortgaged property in priority to the lien of the Bonds, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 13. In case an Event of Default shall have occurred and be continuing, the Railroad Company may do any of the things enumerated in Sections 2, 4, 5, 7, 8, 9 and 14 of this Article VII upon compliance by it with the respective provisions of said Sections, if the Trustee, in the exercise of its discretion, in writing expressly authorizes or assents to such action. The Trustee shall so authorize or assent to such action if requested by the holders of a majority in principal amount of the Outstanding Bonds.

SECTION 14. Subject to the applicable provisions of Part B of Section 1 of Article VIII in the case of securities of a Qualified Subsidiary, the Railroad Company may at any time, unless an Event of Default shall have occurred and be continuing, sell the securities of any corporation which are deposited and pledged under the Mortgage, but only upon and subject to the following conditions:

A. All securities of such corporation at the time pledged hereunder shall be sold simultaneously.

B. In the event of a sale of the capital stock of The Belt Railway Company of Chicago, specifically pledged and deposited with the Trustee, the Wisconsin Central Railway Company, or its receiver, trustee or successor in any proceeding for its reorganization, shall have a preferential right to purchase such capital stock, with the approval of the Interstate Commerce Commission, upon as favorable terms as any that shall be agreed upon between the Railroad Company and any other prospective purchaser, provided such Company, receiver, trustee or successor, as the case may be, shall institute proceedings to obtain the approval of said Commission within sixty days after notification in writing by the Railroad Company of the terms so agreed upon.

D. The consideration stated in the Certificate provided for in subdivision C of this Section 14 to be received by the Railroad Company shall be deposited and pledged with the Trustee and held by it under and upon the terms herein set forth; and any cash so received by the Trustee, and the principal of any such purchase money obligation when received by the Trustee, shall be applied as additional moneys deposited with the Trustee as and for the Series A Sinking Fund as provided in Section 6 of Article IV.

E. The Trustee shall be furnished with an Opinion of Counsel stating that (i) such sale is in accordance with the provisions of the Mortgage, (ii) the Trustee is authorized under the terms of the Mortgage to comply with the request of the Railroad Company in consummation of the sale, (iii) any purchase money obligations mentioned in the certificate provided for in subdivision C of this Section 14 are valid obligations, secured by a valid and enforceable pledge of the securities to be sold, free and clear of prior liens, (iv) such pledge contains appropriate provision for the security and protection of the Bonds and (v) all necessary consent or approval of all governmental authorities for the sale and acquisition of such securities has been obtained or that no such consent or approval is necessary; and said opinion shall be accompanied by a certified copy of any such consent or approval specified in said opinion to be necessary.

F. The Trustee shall be furnished with a Resolution authorizing the sale of the securities mentioned in the Certificate provided for in subdivision C of this Section 14 and requesting the release thereof from the lien of the Mortgage.

Upon receipt by the Trustee of the instruments mentioned in subdivisions C, E and F of this Section 14, and the consideration to be received by the Railroad Company as therein

property in whole or in part) that such property to be received by the Qualified Subsidiary is free and clear of liens other than Permitted Encumbrances.

The instruments provided for in this Section 15 need not be filed with the Trustee in any calendar year unless and until the value of the property sold or exchanged in such year has exceeded, or will exceed, $25,000.

The Railroad Company covenants and agrees that within 15 days after the sale or disposition of any property by a Qualified Subsidiary as to which the instruments provided by this Section 15 shall be required, the Railroad Company will deposit or cause to be deposited with the Trustee an amount equal to the amount of any cash received by such Qualified Subsidiary for the property so sold, unless such Qualified Subsidiary has deposited such amount with the trustee or mortgagee of a mortgage securing Qualified Subsidiary Bonds of such Qualified Subsidiary in accordance with the requirements of such mortgage, as to which such deposit the Trustee shall be furnished with a statement of the trustee or mortgagee of such mortgage certifying thereto. All moneys so received by the Trustee shall be held and disposed of as in the case of moneys deposited upon the release of mortgaged property as provided in Section 7 of Article VIII.

SECTION 16. The Railroad Company may at any time sell, and the Trustee shall release from the lien of the Mortgage, any or all securities specifically pledged and deposited with the trustee of the First Mortgage upon delivery to the Trustee of a Resolution requesting such release accompanied by a statement in writing of the trustee of the First Mortgage certifying that such securities have been released from the lien of the First Mortgage in accordance with the terms and provisions thereof.

ARTICLE VIII

POSSESSION, USE AND RELEASE OF PROPERTY

SECTION 1. While the Railroad Company shall remain in possession of the mortgaged property, it shall be entitled to manage, operate, use and enjoy and be suffered and permitted to remain in the actual and undisturbed possession of all and singular the property subject to the Mortgage (except any cash or securities deposited or pledged or required to be deposited or pledged under the terms of the Mortgage) and to receive, take and use the rents, incomes and profits thereof subject to the terms of the Mortgage. It is recognized that the use of such property in the conduct of the business of the Railroad Company is subject to varying conditions and the requirements of various governmental bodies, regulatory and otherwise. The subsequent provisions of this Section 1 are for the purpose of permitting the advantageous use of the property subject to the Mortgage in the operation and management of the business so as most judiciously to maintain the value of such property of the Railroad Company and the value of the security for the Bonds.

PART A. While remaining in possession of the mortgaged property, the Railroad Company shall be entitled in the usual and ordinary conduct of its business,

(a) to alter, repair, dismantle when no longer useful, replace, change and add to its buildings, roadways, trackage, Equipment, materials, supplies and any other physical property;

(b) to make any change in the location of its lines, tracks, station houses, buildings or other structures situated upon or comprising any part of the property subject to the Mortgage to other premises, if said lines, tracks, station houses,

(C) The securities, if any, so to be issued in substitution, accompanied, in the case of securities not in bearer form, by appropriate assignments in blank.

Upon receipt of the instruments specified in clauses (A), (B) and (C), and a Resolution requesting any such extension, renewal or substitution, the Trustee shall permit the same and take any other action necessary to effect any such extension, renewal or substitution.

SECTION 9. Except as in the Mortgage otherwise expressly provided or restricted, the Railroad Company shall have and may exercise from time to time all rights of ownership of all securities at the time deposited and pledged hereunder with the same force and effect as if the same were not so deposited and pledged, provided always that no action shall be taken which shall be inconsistent with the provisions of the Mortgage or prejudicial to the security or interests of the Bondholders.

Nothing in the Mortgage shall be deemed to limit the power and authority of each Qualified Subsidiary in the ordinary course of the conduct of its business (without notice from the Railroad Company to the Trustee or other action on the part of the Railroad Company) to

(a) manage, operate and use its property and every part thereof with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof;

(b) abandon, terminate, cancel, release, amend or make changes or alterations in, or substitutions of, any leases, rights of way, agreements or other contracts, provided such action will not result in an impairment of the substantial integrity or efficiency of the business of such Qualified Subsidiary, or impair or prevent the continued and efficient oper-

Subsidiary shall be reduced, the Trustee, upon the written request of the Railroad Company, shall surrender for cancellation the certificates evidencing such part of the shares of such class of stock so pledged hereunder as shall be proportionate to the amount of such reduction.

SECTION 11. The Railroad Company covenants and agrees that no Qualified Subsidiary will (a) create or increase the amount of its debts secured by lien equal or prior in rank to the lien of any bonds of such Qualified Subsidiary pledged under the Mortgage, unless the debt so created or the increase thereof is also pledged with the Trustee; (b) sell, exchange or otherwise dispose of any of its property, real or personal, except for adequate consideration, or sell, exchange or otherwise dispose of any of its property unless the provisions of Section 15 of this Article VII shall be first complied with; or (c) make any sale, exchange or other disposition of its property which would be in violation of Part B of Section 1 of Article VIII.

SECTION 12. The Railroad Company covenants and agrees that forthwith on demand of the Trustee it will pay, or will provide for in a manner satisfactory to the Trustee, all expenditures incurred by the Trustee under any of the provisions of this Article VII, including all sums required to obtain and perfect the ownership and title to any property which the Trustee shall cause or authorize to be purchased pursuant to any provision of this Article VII; and the Trustee in its discretion, without impairment of or prejudice to any of its rights under the Mortgage by reason of any default of the Railroad Company, may advance any or all such expenses and such other moneys as may be required, or may procure such advances to be made by others, and for such advances made by the Trustee or by others at its request, with interest thereon at the rate of 4% per annum, the Trustee shall have

C. The Trustee shall be furnished with an Officers' Certificate dated not more than 30 days prior to the delivery thereof and setting forth:

1. A description of the securities to be disposed of by the Railroad Company, a statement that the securities so described include all securities of such corporation at the time pledged hereunder and a statement as to whether or not such corporation is a Qualified Subsidiary.

2. A brief statement of the price or consideration to be received by the Railroad Company (which consideration may be cash, or cash and purchase money obligations secured by a pledge of the securities to be sold) and a statement that the amount of such consideration is not less than the fair value to the Railroad Company of the securities to be sold. None of such purchase money obligations shall mature more than five (5) years from the date of issue, and the aggregate principal amount thereof shall not exceed 60% of the total amount of such consideration.

3. If the securities to be disposed of are securities of a Qualified Subsidiary, a statement that such sale is subject to the provisions of Part B of Section 1 of Article VIII, accompanied by showings in compliance therewith, or a statement that the provisions of said Part B are not applicable to such sale.

4. If such securities to be disposed of are the shares of capital stock of The Belt Railway Company of Chicago, a statement that the Railroad Company is authorized under the provisions of subdivision B of this Section 14 to sell such securities to the purchaser thereof.

5. That no Event of Default has occurred and is continuing.

stated, the Trustee shall release from the lien of the Mortgage, and deliver to or upon the written order of the Railroad Company, all securities so to be sold at the time held by the Trustee.

SECTION 15. The Railroad Company covenants that, except as otherwise expressly provided in the Mortgage, no Qualified Subsidiary will at any time sell, exchange or otherwise dispose of its property or any part thereof unless the Railroad Company shall first file with the Trustee the following:

A. An Officers' Certificate dated not more than 30 days prior to the delivery thereof, stating

(1) that such Qualified Subsidiary desires to sell or exchange property, briefly described, or has contracted so to do, for a consideration described in the Certificate (which consideration may be cash or property or both), and that such consideration represents, in the opinion of the signers of the Certificate, an adequate consideration to such Qualified Subsidiary for the property to be sold or exchanged;

(2) a brief description of the property, if any, to be received as consideration in whole or in part, and stating that such property consists of railroad lines, bridges or terminals, or other property appurtenant to or useful to the railroad lines, bridges or terminals, owned and operated by such Qualified Subsidiary; and

(3) that the property to be sold or exchanged is no longer necessary or advantageous in the business of such Qualified Subsidiary, and either (i) that the substantial integrity and efficiency of the lines of railroad, bridges and terminals of such Qualified Subsidiary will not be impaired by such sale or exchange, or (ii) that the sale or exchange is made in compliance with the provisions of Part B of Section 1 of Article VIII.

B. An Opinion of Counsel (in case the Certificate states that the consideration to the Qualified Subsidiary consists of

SECTION 17. Subject to the provisions of Section 16 of this Article VII, the Railroad Company shall have and may exercise from time to time without notice to or consent of the Trustee all rights of ownership of all securities which are subject to the lien of the Mortgage but not at the time deposited or required to be deposited hereunder, provided always that no action shall be taken by the Railroad Company which is inconsistent with the provisions of the Mortgage, the First Mortgage or any Prior Lien under which such securities are pledged or deposited or which is prejudicial to the security or interests of the Bondholders.

buildings, structures and the premises whereon they shall be relocated shall be or concurrently become subject to the lien of the Mortgage; and

(c) to modify the rights under, or to abandon or terminate, any trackage, terminal, operating or other contract, agreement or lease, easement, franchise, license, authority or permit under which the Railroad Company may now or hereafter conduct its railroad operations; provided, in the case of any modification, that the same does not substantially impair the rights of the Railroad Company in its railroad operations, shorten the term of any leasehold on which are located Additions and Betterments which have been Bonded, or impair the security or interests of the Bondholders, and in the case of any abandonment or termination, that such rights are no longer used or useful for the railroad operations of the Railroad Company, or that rights of operation, substantially equivalent as to scope and term, are otherwise owned or are concurrently to be acquired and subjected to the lien of the Mortgage.

PART B. To increase operating efficiency and effect economies by elimination of unnecessary trackage or unnecessary duplication of trackage within its own transportation system which is subject to the lien of the Mortgage, and by facilitating the coordination of operations of such transportation system with operations of the transportation systems of other railroads, the Railroad Company, while remaining in possession of the mortgaged property may, under the conditions and upon compliance with the provisions of Sections 2 and 3 of this Article VIII to the extent applicable:

I. Sell, exchange for other property, abandon, lease or otherwise dispose of any part of its lines of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage, but

only if, prior to such sale, exchange, abandonment. lease or other disposition:

(a) there shall be filed with the Trustee a Resolution determining and expressing the judgment of the Board of Directors that such sale, exchange, abandonment, lease or other disposition

(i) is advantageous to the economic and efficient operation of the Railroad Company's transportation system then subject to the lien of the Mortgage, and

(ii) will not substantially impair the ability of the Railroad Company to handle the traffic of such transportation system, and

(iii) that the property so to be sold, exchanged, abandoned or otherwise disposed of is no longer deemed necessary or expedient in the operation of such transportation system; and

(b) there shall also be filed with the Trustee, as to any part of such lines of railroad (including any leasehold, easement, trackage right or other interest therein) desired to be sold, exchanged, abandoned, leased or otherwise disposed of, an Officers' Certificate setting forth information showing that

(i) such part of said lines of railroad is a branch or spur line, or is otherwise so separable from any main line serving principal points, that such sale, exchange, abandonment, lease or other disposition will not break the continuity of such main line between the principal points served thereby, or

(ii) after said sale, exchange, abandonment, lease or other disposition there will remain at least one other route subject to the lien of the Mortgage between any principal points served by the part of such line to be sold, exchanged, abandoned, leased or otherwise disposed of, over which the

Notwithstanding the foregoing provisions of this Part B, any line or portion of a line of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage may be released, sold, exchanged, abandoned, leased or otherwise disposed of upon compliance solely with the provisions of clause (a) of this subdivision I, if such release, sale, exchange, abandonment, lease or other disposition is with the approval or direction of the holders of a majority of all Outstanding Bonds, such approval or direction being made and evidenced pursuant to the provisions of Article X and filed with the Trustee.

II. Sell, exchange or otherwise dispose of an undivided interest in any part of any line of railroad, or in any bridge or terminal, which is subject to the lien of the Mortgage, or grant an easement over, or enter into a trackage agreement providing for the use by another railroad of, any such line of railroad, or bridge or terminal, with or without use of appurtenant shop or other operating and service facilities; and any such easement or trackage right may, but need not, extend for a longer period than the latest maturity of any of the Bonds then outstanding, and may, but need not, be subject to termination by the Trustee upon the happening or during the continuance of any Event of Default, or by the purchaser of any property to which the same relates upon any sale thereof by virtue of the power of sale hereby conferred or under judicial proceedings; but in the case of each such sale, exchange or other disposition of an undivided interest or in case any such easement or trackage right shall extend for a longer period, as aforesaid, or is not subject to termination, as aforesaid, then prior thereto

(i) there shall be furnished to the Trustee an Opinion of Counsel that there has been adequately preserved to the Railroad Company the prior right to the use of any such line of railroad, bridge, or terminal in which an undivided interest has been disposed of or as to which an easement or trackage right has been so granted, and to appurtenant facilities, if any, as to which a right of use has been so granted, and

The provisions and limitations of this Part B shall govern any sale by the Railroad Company, pursuant to the provisions of Article VII, of the securities of any Qualified Subsidiary owning a connecting line of railroad or bridge which forms a part of the transportation system of the Railroad Company which is subject to the lien of the Mortgage, and any sale, exchange or other disposition by any Qualified Subsidiary, pursuant to the provisions of Article VII, of property of such Qualified Subsidiary, to the same extent as though the property owned by such Qualified Subsidiary were owned by the Railroad Company.

PART C. In case any line of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage is desired to be abandoned, prior to any such abandonment there shall be filed with the Trustee, in addition to all other requirements of this Section 1, an Opinion of Counsel stating that any requisite approval of the Interstate Commerce Commission or other governmental authority having jurisdiction in the premises has been obtained for such abandonment and said Opinion of Counsel shall be accompanied by a certified copy of the order, if any, expressed to be so required.

SECTION 2. Except as hereinafter specifically provided in this Section 2, and upon compliance with all applicable provisions of Part B of Section 1 of this Article VIII, no release from, action by, or notice to the Trustee, or other action or proceedings on the part of the Railroad Company hereunder, shall be required if the Railroad Company while remaining in possession of the mortgaged property shall:

(a) In the ordinary conduct of its business, sell as units, dismantle and sell as scrap or otherwise exchange or dispose of, free from the lien of the Mortgage, any office-equipment, machinery, tools, furniture, materials and supplies and other

clause (c) does not exceed, in the opinion of the Engineer, one per cent (1%) of the aggregate principal amount of the Bonds at the time outstanding, provided that if the Railroad Company shall receive as proceeds any cash or other consideration (other than property which shall have become subject to the lien of the Mortgage) in connection with any such sale or disposition, it shall deposit such proceeds with the Trustee, unless deposited with another trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII.

(d) Make any lease of, or grant any easement, license or other right with respect to, any property, subject to the continuing lien of the Mortgage, if not governed by the provisions of Part B of Section 1 of this Article VIII, provided that any lease of property of a value in excess of $10,000, in the opinion of the Engineer, shall state that it is expressly subject to the lien of the Mortgage.

(e) Modify the rights under, or abandon or terminate, any trackage, terminal, operating or other contract, agreement or lease, easement, franchise, license, authority or permit under which the Railroad Company may now or hereafter conduct its railroad operations, subject in every instance, however, to the conditions and limitations provided in clause (c) of Part A of Section 1 of this Article VIII.

On or before March 1, 1945, and on or before March 1 of each succeeding year, the Railroad Company shall file with the Trustee a report for the preceding calendar year signed as in the case of an Officers' Certificate and setting forth the property sold, exchanged or otherwise disposed of during the preceding calendar year under clauses (b) and (c) of this Section 2, described in reasonable detail, and the cash or other consideration received by the Railroad Company in connec-

SECTION 3. PART A. From time to time unless and until an Event of Default shall have occurred and be continuing, the Railroad Company may sell or dispose of, and in connection therewith obtain the release of, any part of the property subject to the lien of the Mortgage, other than cash or purchase money obligations held by the Trustee or securities deposited and pledged with the Trustee, provided that such sale or disposition is not in violation of Part B of Section 1 of this Article VIII and that the applicable provisions of said Part B, if any, are complied with; and the Trustee shall release from the lien of the Mortgage any such property if the fair value (as determined by the Engineer in accordance with the provisions of clause (g) of Part B of this Section 3) of the part of the property to be released shall not exceed the aggregate of:

(a) The cash then being deposited with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII;

(b) The principal amount of any purchase money obligations then being deposited and pledged with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, which shall have been received by the Railroad Company as consideration or part consideration for the disposition of the part of the property to be released and which shall be secured by a purchase money mortgage thereon; provided that

(i) such purchase money obligations shall mature within 5 years of the date thereof and shall be included only to the extent that the principal amount thereof does not in the aggregate exceed 60% of the fair value, determined as aforesaid, of the property to be released; and

(i) a description in reasonable detail of the property a release of which is requested, and the fair value thereof (determined in accordance with the provisions of clause (g) of this Part B);

(ii) a statement of the amount of cash, if any, being deposited pursuant to clause (a) of Part A of this Section 3;

(iii) a description in reasonable detail of the purchase money obligations, if any, being pledged pursuant to clause (b) of Part A of this Section 3, a statement that such purchase money obligations have been received as consideration or part consideration for the disposition of the property to be released, a statement that such purchase money obligations do not exceed the limitations of clause (b) (i) of Part A of this Section 3, and a computation showing that the principal amount of all such purchase money obligations does not exceed the limitations of clause (b) (ii) of said Part A;

(iv) a description in reasonable detail of any property constituting Additions and Betterments (other than Equipment and improvements and betterments of Equipment) which has been or is to be concurrently acquired as consideration or part consideration for the property to be released, and a statement as to whether or not any such property is located on any leasehold;

(v) a statement that no Event of Default has occurred and is continuing; and

(vi) a statement accompanied by showings of compliance with Part B of Section 1 of this Article VIII with respect to the property the release of which is applied for, or a statement that such property does not constitute any part of the lines of railroad or any bridge or terminal subject to the lien of the Mortgage or any leasehold, easement, trackage right or other interest therein.

(vii) a statement as to whether the property, the release of which is applied for, is subject to any prior lien of the nature referred to in Section 4 of this Article VIII, and identifying any such liens.

traffic of such transportation system between such principal points may be handled with substantially equal facility, or

(iii) the Railroad Company has acquired, or upon such sale, exchange, abandonment, lease or other disposition will acquire, rights over lines of another railroad company through joint ownership, lease or trackage agreement whereby facilities will be available for general continuity of operation of such transportation system which are substantially equivalent to the facilities therefor of the lines of railroad to be sold, exchanged, abandoned, leased or otherwise disposed of, and that any such lease or trackage agreement, as evidenced by an Opinion of Counsel filed with the Trustee, will extend at least beyond the latest date of maturity of any of the Bonds then outstanding and will not be subject to termination prior to its expiration date on account of any lien on the property covered thereby.

(c) there shall be pledged with the Trustee or otherwise subjected to the lien of the Mortgage, in such manner as shall be deemed sufficient in an Opinion of Counsel furnished to the Trustee, any and all rights of joint ownership, leases, and trackage agreements acquired by the Railroad Company and referred to in such Officers' Certificate pursuant to the preceding clause (b)(iii).

Any lease of property of the Railroad Company made pursuant to this subdivision I shall be limited to a part only of the lines of railroad subject to the lien of the Mortgage, which part shall be substantially less than all thereof; and each such lease shall be made expressly subject to immediate termination by the Trustee at any time upon the happening of an Event of Default and at any time during the continuance thereof, and also by the purchaser of the property so leased upon any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

(ii) the Board of Directors shall by Resolution filed with the Trustee determine and express its judgment, in the case of any such sale, exchange or other disposition, that the same is advantageous to the economical and efficient operation of the business of the Railroad Company, or in the case of any such easement or trackage right agreement, that the terms thereof are reasonable and advantageous to the economical and efficient operation of the business of the Railroad Company and, in either case, that such transaction will not substantially impair the ability of the Railroad Company to handle the traffic of its transportation system subject to the lien of the Mortgage at or between the principal points served thereby.

Any principal point which is a terminal point served by any line of railroad of the Railroad Company subject to the lien of the Mortgage shall cease to be a principal point if, for a period of five (5) successive years after the date of the Mortgage, traffic over the line, or a portion thereof serving such point designated as provided in the following sentence, has been such that the operation by the Railroad Company of such line or such designated portion as the case may be, has been without profit during the whole of such period. Upon filing with the Trustee of an Officers' Certificate designating any such principal point and the line serving such point, or a specified portion thereof, and showing facts with respect to traffic and operation of such line or such specified portion thereof, as the case may be, fulfilling to the satisfaction of the Trustee the requirements of this paragraph, together with a Resolution expressing the judgment of the Board of Directors that the principal point described in said Certificate is in fact no longer a principal point in the operation of such lines of railroad, then said principal point shall no longer be deemed or treated as a principal point on such line for any purpose under the provisions of this Part B.

chattels (except Equipment) which may have become obsolete, worn out, unserviceable or no longer required in the conduct of its business.

(b) In the ordinary conduct of its business, sell, dismantle and sell as scrap or otherwise exchange or dispose of, free from the lien of the Mortgage, any Equipment which is no longer useful and any buildings, bridges and roadways, structures, industrial tracks, side tracks, branch lines, or yard tracks which it has been desirable to take up or remove in the conduct of its business, and which in each case have been retired from use and not replaced; and land constituting roadway which is no longer useful to the Railroad Company and has been retired from use up to an aggregate value, in the opinion of the Engineer, of not more than $10,000 in any calendar year; provided that if the Railroad Company shall receive as proceeds any cash or other consideration (other than property, which may but need not have a similar substitutional use, and which shall have become subject to the lien of the Mortgage) in connection with any such sale or disposition, it shall deposit such proceeds with the Trustee, unless deposited with another trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII.

(c) Sell or otherwise dispose of free from the lien of the Mortgage in the ordinary conduct of its business any of the other property of the Railroad Company which is subject to the lien of the Mortgage, other than pledged securities and lines of railroad (including any leasehold, easement, trackage right or other interest therein), if the property so sold or disposed of at any one time does not exceed, in the opinion of the Engineer, $25,000 in value, and if the value of all properties then being and theretofore during the current calendar year sold or otherwise disposed of under the provisions of this

tion with any such sale, exchange, or other disposition (showing separately, in the case of such other consideration, that which shall have become, and that which shall not have become, subject to the lien of the Mortgage) and the total amount thereof deposited with any trustee or mortgagee as permitted by the provisions of Section 4 of this Article VIII.

Such report shall be accompanied by an opinion of the Engineer stating the fair value of all land constituting roadway retired from use which is included in the amount of property shown in the report to have been disposed of under clause (b) of this Section 2, the fair value of any property shown in the report to have been received by the Railroad Company as consideration or part consideration for sales, exchanges or dispositions of property under clauses (b) and (c) of this Section 2, the aggregate fair value of all property shown in said report as having been sold or disposed of under clause (c) of this Section 2, and stating whether in any case the value of property so sold or disposed of at any one time exceeded $25,000. There shall also be furnished to the Trustee in connection with such report an Opinion of Counsel that any property stated by such report to have been subjected to the lien of the Mortgage has been so subjected.

In order to evidence the termination of the lien of the Mortgage on any property sold, exchanged or otherwise disposed of in accordance with this Section 2, the Trustee shall execute and deliver confirmatory releases or certificates that such property is free from the lien of the Mortgage from time to time at the request of the Railroad Company upon receiving an Officers' Certificate describing in reasonable detail the property to be released, and stating that it has been sold, exchanged or otherwise disposed of under the provisions of this Section 2 and in full compliance with the terms and conditions prescribed herein.

(ii) the aggregate principal amount of such purchase money obligations and all other purchase money obligations pledged with the Trustee pursuant to the provisions of this Section 3, and then held subject to the lien of the Mortgage (or pledged with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, and then held by such trustee or mortgagee) shall not exceed 10% of the aggregate principal amount of Bonds outstanding at the date of the Application for release filed with the Trustee pursuant to the provisions of clause (b) of Part B of this Section 3; and

(c) The fair value (as determined by the Engineer in accordance with the provisions of clause (g) of Part B of this Section 3) of any property included in Additions and Betterments (other than Equipment and improvements and betterments of Equipment) then certified to the Trustee in the Officers' Certificate filed with the Trustee, pursuant to the provisions of clause (c) of Part B of this Section 3, which has been or is to be concurrently acquired by the Railway Company as consideration or part consideration for the disposition of the property to be released and which shall not at the time of acquisition be subject to any lien, other than Permitted Encumbrances, prior to the lien of the Mortgage.

PART B. Prior to the release of any part of the property from the lien of the Mortgage under this Section 3 there shall in each case have been delivered to the Trustee:

(a) A Resolution authorizing or approving the request for release and stating that in the judgment of the Board of Directors such release is desirable in the conduct of the business of the Railroad Company.

(b) An Application for such release.

(c) An Officers' Certificate which shall contain:

(d) Any cash then being deposited with the Trustee pursuant to clause (a) of Part A of this Section 3, or if any cash is being deposited with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, in connection with the release of the property to be released, a written statement of such trustee or mortgagee, as the case may be, certifying that such cash has been deposited with it.

(e) Any purchase money obligations then being deposited and pledged with the Trustee pursuant to clause (b) of Part A of this Section 3, or if any purchase money obligations are then being pledged with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by the provisions of Section 4 of this Article VIII, in connection with the release of the property to be released, a written statement of such trustee or mortgagee, as the case may be, certifying that such purchase money obligations have been pledged with it, together, in either event, with any and all assignments thereof, supplemental indentures or other instruments which, as set forth in the Opinion of Counsel, furnished pursuant to clause (h) of this Part B, are stated to be necessary or advisable to duly assign to the Trustee subject to such lien, or otherwise to render subject to the lien of the Mortgage, such purchase money obligations.

(f) All such deeds, supplemental indentures, or instruments of further assurance, which, as set forth in the Opinion of Counsel furnished pursuant to clause (h) of this Part B, are stated to be necessary or advisable to subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage any property constituting Additions and Betterments included in the Officers' Certificate filed with the Trustee pursuant to clause (c)

of this Part B, or, in the case of Additions and Betterments located on leaseholds, to subject the leaseholds to such liens.

(g) A certificate or opinion of the Engineer stating (i) the fair value of the property a release of which is requested, and (ii) the fair value of any property described in the Officers' Certificate pursuant to clause (c) (iv) of this Part B;

(h) An Opinion of Counsel to the effect that:

(i) any purchase money obligations pledged with the Trustee or with the trustee or mortgagee of any lien prior to the lien of the Mortgage, as permitted by Section 4 of this Article VIII, have been validly issued; that the assignments, supplemental indentures or other instruments delivered to the Trustee pursuant to clause (f) of this Part B duly assign to the Trustee subject to such lien, or otherwise render subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage, such purchase money obligations, or that no such instruments are required for such purpose; and that such purchase money obligations are secured by a valid lien upon the property released subject to no liens prior or equal to the lien thereof, except any liens which were Permitted Encumbrances on the property released and except any lien prior to the lien of the Mortgage to which the property released was subject; and

(ii) the property constituting Additions and Betterments specified in the Application for release filed with the Trustee, pursuant to the provisions of this Part B, except such as are located on leaseholds, is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures, or instruments of further assurance, if any, specified in said Opinion of Counsel, subject to no defect in title and subject to no lien thereon prior or equal to the lien of the Mortgage, except Permitted Encumbrances,

eminent domain or should any governmental body at any time exercise any right which it may have to require the sale to it or to a purchaser designated by it of any part of the property subject to the lien of the Mortgage, the Trustee, upon request of the Railroad Company, shall release the property so taken or sold upon the Trustee's being furnished with an Opinion of Counsel to the effect that such part of the property subject to the lien of the Mortgage has been lawfully taken or sold as aforesaid. The aforesaid Opinion of Counsel shall state the amount of proceeds received or to be received for the property so taken or sold. Subject to the provisions of Section 4 of this Article VIII, the proceeds of all property so taken or sold shall be deposited with the Trustee.

Section 6. In order to confirm, secure or clear (of record or otherwise) the prior right, charge, lien or title with respect to Equipment securing any Equipment Trust Obligation hereafter created under reservation of right set forth in connection with the granting clauses of the Mortgage, the Trustee shall, upon compliance with the subsequent provisions of this Section 6, either confirm as to such Equipment the subordination of the lien of the Mortgage to such prior right, charge, lien or title, or release such Equipment from the lien of the Mortgage.

Prior to any such confirmation of subordination or release there shall be delivered to the Trustee a Resolution requesting such action by the Trustee and an Officers' Certificate which shall describe the Equipment as to which a confirmation of subordination or a release is requested, shall describe the Equipment Trust Obligation to be secured by a prior right, charge, lien or title thereon, shall state that such Equipment was acquired or constructed for the use of the Railroad Company within one year preceding the date of such Certificate, and shall state that none of said Equipment has

pany shall comply with all applicable provisions of Section 4 of Article III relating to the authentication and delivery of Bonds and the provisions of Section 4 of Article V, except that it shall not be required to comply with any of the provisions of clauses (c) (ii) (7) and (f) of Section 4 of Article III or of Section 7 of Article III other than clauses (d) (iv) and (e) of said Section 7. Any withdrawal of cash under this paragraph shall be in lieu of the right of the Railroad Company to the authentication and delivery of Bonds on account of such Net Expenditures for Additions and Betterments.

(b) May be paid to or upon the written order of the Railroad Company, signed by its President or a Vice President, in an amount not exceeding the principal amount or cost (exclusive of interest) to the Railroad Company, whichever is less, of any Bonds (not theretofore Bonded, or acquired, retired, cancelled or paid through the operation of any sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage) theretofore authenticated and delivered under the Mortgage which shall have been cancelled or surrendered to the Trustee for cancellation, but only upon delivery to the Trustee of

(1) an Officers' Certificate describing the Bonds the cancellation or surrender for cancellation of which forms the basis for the proposed withdrawal of cash, stating the cost thereof (exclusive of interest) to the Railroad Company, and stating that said Bonds have theretofore been duly issued and outstanding and reacquired by the Railroad Company, that none of said Bonds has theretofore been Bonded, or acquired, retired, cancelled or paid through the operation of any sinking fund or analogous fund established pursuant to the Mortgage or pursuant to the First Mortgage, and that no Event of Default has occurred and is continuing; and

(2) the particular Bonds together with all appropriate coupons, if any, appertaining thereto.

replaced, paid or reimbursed by the Railroad Company as above provided, and shall pay over any balance of such interest payments to the Railroad Company.

Section 8. In case the property or any part thereof subject to the lien of the Mortgage shall be in the possession of a receiver, trustee or other court officer lawfully appointed, the powers in and by this Article VIII conferred upon the Railroad Company, notwithstanding the occurrence and continuance of an Event of Default, may be exercised by such receiver, trustee or other court officer under and upon the conditions specified in the order or orders of the court appointing such receiver, trustee or court officer. If the Trustee shall be in possession of the property subject to the lien of the Mortgage or any part thereof under any provision of the Mortgage, then all the powers in this Article VIII conferred upon the Railroad Company, notwithstanding the occurrence and continuance of an Event of Default, may be exercised by the Trustee.

Section 9. The Trustee shall not be required under any of the provisions of this Article VIII to release any part of the property subject to the lien of the Mortgage from the lien hereof at any time when an Event of Default shall have occurred and be continuing, or to pay over or apply any moneys held by it at any time when an Event of Default shall have occurred and be continuing; but, notwithstanding any such Event of Default, the Trustee may do so and the Railroad Company may exercise any of the powers conferred upon it in and by this Article VIII upon compliance with the conditions specified in this Article VIII applicable thereto, and the Trustee shall give its consent thereto in writing if the Trustee in its discretion shall deem that such release or payment or such exercise of powers by the Railroad Company will not adversely affect the interests of the Bondholders, or if the

ARTICLE IX

Consolidation, Merger, Conveyance and Lease

Section 1. Nothing in the Mortgage or in any Bond shall prevent the consolidation or merger of the Railroad Company with or into any other corporation lawfully entitled to acquire and operate the same or successive consolidations or mergers in which the Railroad Company or its successor or successors shall be a party or parties, or shall prevent any conveyance or lease, subject to the continuing lien of the Mortgage, of all or substantially all of the mortgaged property to any such other corporation; provided, however, that:

(1) Every such consolidation, merger, conveyance or lease shall be on such terms as shall fully preserve the lien and security of the Mortgage and the rights and powers of the Trustee and of the Bondholders hereunder.

(2) Any such lease shall be made expressly subject to immediate termination by the Trustee at any time upon the occurrence of an Event of Default and during the continuance thereof, and also by the purchaser of the property so leased upon any sale thereof whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

(3) Upon any such consolidation, merger, conveyance or lease, the successor corporation or the lessee corporation, as the case may be, shall expressly assume the due and punctual payment of the principal of and interest on all of the Outstanding Bonds according to their tenor and purport, and the due and punctual performance of all of the terms, covenants and conditions of the Mortgage required to be kept, preserved and performed by the Railroad Company.

(4) In the event of any such consolidation, merger or conveyance, the successor corporation, subject to

to be made into or out of the Capital Fund or for any other purpose fulfilling the provisions and conditions of the Mortgage; provided that any such provisions shall be approved by the Interstate Commerce Commission or other governmental agency or authority having jurisdiction of the consolidation, merger, conveyance or lease, and, unless such Commission or other governmental agency or authority shall find that no material alteration of the rights of the Bondholders is thereby effected and shall so determine, they shall also be consented to or approved by the holders of a majority in principal amount of the Outstanding Bonds, in the manner provided in Article XI.

Section 2. In the event that under the provisions of Section 1 of this Article IX there shall be a consolidation or merger of the Railroad Company with or into, or a conveyance by the Railroad Company of all or substantially all of the mortgaged property to, a successor corporation, then the successor corporation shall if it shall have been a Qualified Subsidiary immediately prior thereto, and may but need not if it shall have been a Class I Carrier (not a Qualified Subsidiary) immediately prior thereto, make an express grant to the Trustee of its property and franchises as required by paragraph (4) of Section 1 of this Article IX, and in the absence of such express grant by any such successor corporation (except a Qualified Subsidiary), the Mortgage shall not by reason of such consolidation, merger or conveyance constitute and become a lien upon, and the term "mortgaged property" as herein used shall not include or comprise:

(1) Any property or franchise which, prior to such consolidation, merger or conveyance, was owned by any corporation with or into which the Railroad Company or any successor corporation may be consolidated or merged or to which the Railroad Company or any successor corporation may make any such convey-

if any, and if any such property is located on any leasehold, as shown by the Application, stating that such leasehold is subject to the lien of the First Mortgage (so long as it remains a lien on the mortgaged property) and to the lien of the Mortgage, or will become subject to such liens upon the delivery and recording or filing of the deeds, supplemental indentures or instruments of further assurance, if any, specified in said Opinion of Counsel, and extends for a period of time beyond the latest maturity date of any Bonds then outstanding, and that, under the terms of such leasehold, the Railroad Company has the right to be reimbursed in respect of the expenditure for such Additions and Betterments or the right to remove the same upon the termination of such leasehold and that all of the Railroad Company's interest in such leasehold (except the last day of the term thereof), including any such right of reimbursement, has been pledged with the Trustee; provided that such Opinion of Counsel may recite that it is based upon certificates or opinions of officers or engineers of the Railroad Company as to any matters of fact not of public record.

SECTION 4. If, under the provisions of the First Mortgage or of any other lien prior to the lien of the Mortgage on any part of property to be released from the Mortgage, there is required to be made with or to the trustee or mortgagee under such lien a deposit of cash or pledge of purchase money obligations in order to obtain a release therefrom of such part of the property subject to the Mortgage, the Railroad Company shall not be required to deposit or pledge with the Trustee such cash or purchase money obligations to the extent that the Railroad Company shall deposit such cash and pledge such purchase money obligations with the trustee or mortgagee of such lien.

SECTION 5. Should any part of the property subject to the lien of the Mortgage be taken by the exercise of the power of

theretofore been Bonded or that the portion thereof as to which confirmation of subordination or release is requested was not acquired or constructed by expenditures from the Capital Fund.

There shall also be furnished to the Trustee an Opinion of Counsel and the instrument or instruments to be executed and delivered by the Trustee in order to effect the requested confirmation of subordination or release. Such Opinion of Counsel shall approve the form of the instrument or instruments furnished therewith and shall express the opinion that, notwithstanding the execution and delivery by the Trustee of such confirmation of subordination or release, the lien of the Mortgage will attach to all right, title or interest of the Railroad Company then or thereafter existing with respect to the Equipment described in the Certificate, subject only to the prior right, charge, lien or title of the Equipment Trust Obligations therein described, and to Permitted Encumbrances; but such expression of opinion may be predicated upon the execution and delivery of other instruments in addition to those specified above, or the taking of other action, in which case the Railroad Company shall cause such other instruments to be executed and delivered or such other action to be taken.

SECTION 7. Unless an Event of Default shall have occurred and be continuing, all moneys held by the Trustee under this Article VIII, at the option of the Railroad Company;

(a) May be withdrawn by the Railroad Company upon its written Application, accompanied by a Resolution authorizing such Application, in an amount equal to 133⅓% of the principal amount of Bonds (including any fractional amounts) to the authentication and delivery of which the Railroad Company shall be entitled on account of Net Expenditures for Additions and Betterments under the provisions of Section 4 of Article III. On any such Application the Railroad Com-

(c) May be applied, upon the written request of the Railroad Company, signed by its President or a Vice President to the payment at maturity or to the redemption of Bonds then outstanding of any series determined by Resolution. Any such request of the Railroad Company for the application of moneys pursuant to this clause (c) shall be accompanied by an Officers' Certificate stating that no Event of Default has occurred and is continuing.

If and when the Railroad Company shall so request by Resolution filed with the Trustee, provided no Event of Default shall have occurred and then be continuing, any moneys at the time held under this Article VIII by the Trustee shall be invested by it in such direct obligations of the United States maturing within two years as shall be specified in such resolution. Such obligations shall be held by the Trustee in lieu of the moneys invested therein subject to its absolute right to liquidate such investment in such manner and at such time or times as, in the exercise of its discretion, it deems to be advisable. The Railroad Company covenants that upon demand by the Trustee it will replace all moneys lost through any investment made and liquidated as by this Section 7 contemplated, and will pay or reimburse the Trustee for all accrued interest, commissions and expense paid or incurred in connection with the acquisition and liquidation of such investment. The Trustee shall have the right and duty to receive all amounts paid on account of any investment made by it as hereby contemplated, including all interest payments, shall retain such interest payments pending liquidation of such investment, and after such liquidation shall retain so much of such interest payments as may be necessary to replace any loss of moneys suffered or to pay or reimburse for any accrued interest, commissions or expense paid or incurred in connection with the acquisition and liquidation of such investment and not

holders of a majority in principal amount of the Outstanding Bonds shall request the Trustee so to consent.

SECTION 10. In no event shall any purchaser or purchasers of any part of the mortgaged property sold or disposed of under any provisions of this Article VIII be required to ascertain the authority of the Trustee to execute any release, to see to the application of the purchase money or to inquire as to any facts required by the provisions hereof for the exercise of such authority.

SECTION 11. Notwithstanding any of the provisions of the Mortgage, the Trustee shall release, either before or after an Event of Default shall have occurred, the lien of the Mortgage as to any property or properties or part or parts thereof at any time subject thereto, and cause such property or properties to revert to the Railroad Company free and clear of such lien; provided, however, that, prior to the release of any such property under this Section 11, there have been delivered to the Trustee in each case:

(a) a request (evidenced as provided in Section 1 of Article X) of the holders of not less than 75% in aggregate principal amount of all Outstanding Bonds, to release the property in question and the designation by such holders of the independent railroad expert referred to in subsection (c) below; or

(b) the record that the holders of not less than 85% in aggregate principal amount of all Outstanding Bonds represented at a Bondholders Meeting, called and conducted pursuant to Article XI hereof, at which not less than 50% in aggregate principal amount of all Outstanding Bonds were represented, requested the release of the property in question and designated the independent railroad expert referred to in subsection (c) below; and, in either case,

(c) a report of the independent railroad expert designated pursuant to either subsection (a) or subsection (b) above, to the effect that such property is no longer of value to the holders of Outstanding Bonds and that, in his opinion, a proper allocation of revenues and expenses thereto then shows, and in the future may reasonably be expected to show, a loss.

the exceptions provided in Section 2 of this Article IX, shall expressly grant and convey to the Trustee, as further security for all Bonds issued hereunder, and shall subject to the lien of the Mortgage, all of its property and franchises then owned and which it may thereafter acquire of the character and kind which, under the terms of the Mortgage, are required to be subjected to the lien thereof, all as fully as though such consolidation, merger or sale had not taken place and such property and franchises had been acquired by the Railroad Company.

Compliance with the foregoing requirements of this Section 1 shall be evidenced by a supplemental indenture.

For the purposes of this Article IX, the term "conveyance" shall mean any sale, conveyance or transfer, the term "successor corporation" shall mean any corporation resulting from any such consolidation or merger or any corporation to which such conveyance shall be made, and the term "lessee corporation" shall mean any corporation to which any such lease shall be made.

The conditions contained in this Section 1 shall not be construed as requiring that in the event of any such consolidation, merger, conveyance or lease a separate income account shall thereafter be maintained in respect of the operation of the properties subject to the lien of the Mortgage, but in lieu thereof provisions may be made which shall be equitable and practical with respect to the apportionment of the revenues and expenses of any such successor or lessee corporation to establish a basis for the determination and application of Available Net Income as required under Article V or for the purpose of determining and applying funds to the payment of interest on any contingent interest bonds of the Railroad Company or for the purpose of determining the amount of payments required

ance, or any property or franchises which theretofore may have been acquired by the Railroad Company or any successor corporation and which prior to such consolidation, merger or conveyance were not subject to the lien of the Mortgage; or

(2) Any property or franchise which may be purchased, constructed or otherwise acquired by any successor corporation after the date of any such consolidation, merger or conveyance, excepting only the property, rights and franchises referred to in clauses (a) and (b) of this Section 2, which, as and when purchased, constructed, or otherwise acquired by such successor corporation, shall be and become subject to the lien of the Mortgage.

Any supplemental indenture provided for in Section 1 of this Article IX which, by reason of the provisions of this Section 2, is not required to contain an express grant by the successor corporation of all of its property and franchises pursuant to paragraph (4) of said Section 1, shall contain:

(a) A grant by such successor corporation confirming the lien of the Mortgage upon the mortgaged property and subjecting to the lien and operation hereof, as fully as though such consolidation, merger or conveyance had not taken place and the same had been acquired or made by the Railroad Company; (1) all property, rights and franchises thereafter constructed or acquired which shall be appurtenant or incident to any property that is subject to the lien of the Mortgage at the time of such consolidation, merger or conveyance; (2) all property, rights and franchises thereafter constructed or acquired in whole or in part by the issuance of Bonds, First Mortgage Bonds or Prior Lien Bonds; (3) all property, rights and franchises thereafter constructed or acquired with cash then or at any time thereafter held by the Trustee hereunder or by the trustee under the First Mortgage or under any mortgage

securing Prior Lien Bonds, or in exchange for property released from the lien thereof, or the acquisition or construction of which has been or shall be made the basis of the withdrawal of cash or the issuance of Bonds or First Mortgage Bonds; (4) all betterments, extensions, improvements and additions of, to, upon and for the property, rights and franchises subject to the lien hereof; (5) all repairs, renewals, replacements, substitutions and alterations of, to, upon or for such property, rights and franchises; (6) all property, rights and franchises thereafter acquired pursuant to any covenant herein contained which may be purchased, constructed or otherwise acquired by such successor corporation from and after the date of such consolidation, merger or conveyance, as the case may be; and (7) all other property of every kind and description, whether real, personal or mixed, whether tangible or intangible, and whether consisting of present or future interests, thereafter constructed or acquired by such successor corporation which is appurtenant to any property acquired by the issuance of Bonds, First Mortgage Bonds or Prior Lien Bonds or acquired with cash then or at any time thereafter held by the Trustee hereunder or by the trustee under the First Mortgage or under any mortgage securing Prior Lien Bonds;

(b) A covenant on the part of such successor corporation that all property and franchises thereafter acquired by it and necessary to the full and complete performance of any covenant herein contained relating to the deposit of securities, to the maintenance and upkeep of the mortgaged property, to the supply to the lines of railroad included therein of adequate and efficient equipment, to the making of all needful and proper repairs, renewals, replacements, substitutions and alterations and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof, or of any other covenant herein, shall be conclusively deemed and taken to be

SECTION 4. In case the Railroad Company shall be consolidated with or merged into or shall make a conveyance to any other corporation as permitted and upon the terms provided in Section 1 of this Article IX, the successor corporation, upon executing and delivering to the Trustee, and causing to be recorded, the supplemental indenture provided for in Section 1 of this Article IX, shall succeed to and be substituted for the Railroad Company with the same force and effect as if it had been named in and had executed the Mortgage as the party of the first part hereto, and shall have and possess and may exercise, subject to the terms and conditions of the Mortgage, each and every power, authority and right herein reserved to or conferred upon the Railroad Company; and thereupon such successor corporation may cause to be signed and may issue, either in its own name or in the name of the party of the first part, and under the corporate seal of either the party of the first part, or the successor corporation, any and all Bonds which shall not have been signed theretofore by the party of the first part, and delivered to the Trustee; and the Trustee, upon the order of such successor corporation, and subject to all the terms, conditions and limitations prescribed in the Mortgage, shall authenticate any and all Bonds which previously shall have been signed by the party of the first part, and delivered to the Trustee for authentication, and any Bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trustee for such purpose, and deliver the same to such successor corporation or upon its order.

SECTION 5. All Bonds issued by any successor corporation shall have the same legal rank and security in all respects as the Bonds theretofore issued by the Railroad Company in accordance with the terms of the Mortgage. In case of any such consolidation, merger or conveyance such changes in phraseology and form (but not in substance) may be made

ARTICLE X

CONCERNING THE BONDHOLDERS

SECTION 1. Whenever in the Mortgage it is provided that the holders of a specified percentage in aggregate principal amount of the Bonds may take any action (including the making of any demand or request, the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by an instrument or any number of instruments of similar tenor executed by such holders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Bonds voting in favor thereof in person or by agent or proxy appointed in writing at any meeting of Bondholders duly called and held in accordance with the provisions of Article XI hereof, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Bondholders.

SECTION 2. Proof of the execution of any instrument by the holder of any Bond or his agent or proxy, and proof of the holding by any person of any Bond, shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds in the jurisdiction in which he purports to act that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer.

The fact of the holding by any person of coupon Bonds transferable by delivery, and the amounts and distinctive

bearer of any coupon Bond which shall not at the time be registered as to principal as hereinbefore authorized, and the bearer of any coupon for interest on any Bond whether such Bond shall be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be (whether or not such Bond or coupon shall be overdue), for the purpose of receiving payment thereof and for all other purposes; and neither the Railroad Company nor the Trustee nor any paying agent nor any bond registrar shall be bound by any notice to the contrary.

The Railroad Company, the Trustee, any paying agent and any bond registrar may deem and treat the person in whose name any registered Bond without coupons shall be registered at any given time upon the books of the Railroad Company, as hereinbefore provided, as the absolute owner of such Bond at that time (whether or not the same shall be overdue) for the purpose of receiving any payment then being made of or on account of the principal, premium if any, or interest on such Bond and for all other purposes; and may deem and treat the person in whose name any coupon Bond shall be registered as to principal at any given time as the absolute owner thereof at that time (whether or not the same shall be overdue) for the purpose of receiving payment of or on account of the principal of, or premium, if any, on such Bond, and for all other purposes except to receive payment of any interest represented by outstanding coupons; and neither the Railroad Company nor the Trustee nor any paying agent nor any bond registrar shall be bound by any notice to the contrary. All such payments so made to any such registered holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

ARTICLE XI

BONDHOLDERS' MEETINGS

SECTION 1. The Bondholders present or represented at any meeting of the Bondholders called or held as in this Article XI provided, may exercise any or all of the following powers, subject to the limitations and by vote of the respective percentages of Outstanding Bonds in this Article XI or elsewhere in the Mortgage set forth:

(1) To approve the issuance of any First Mortgage Bonds, pursuant to the provisions of Section 8 of this Article XI;

(2) To give any notice to the Railroad Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to any of the provisions of Article XIII hereof;

(3) To remove the Trustee and appoint a successor trustee pursuant to the provisions of Article XII hereof;

(4) To consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 2 of Article XVI hereof;

(5) To appoint, pursuant to the provisions of Section 9 of this Article XI, a successor voting trustee or successor voting trustees to fill a vacancy or vacancies among the voting trustees under the voting trust agreement dated September 1, 1944, entered into pursuant to the Plan and relating to the common stock of the Railroad Company;

(6) To terminate, either before or after an Event of Default shall have occurred, the lien of the Mortgage as to any property or properties or part or parts thereof at any time subject thereto and cause the same to revert to the Railroad Company free and clear of such lien upon such conditions as such holders may direct pursuant to the provisions of Section 11 of Article VIII; or

fied may determine the time and place for such meeting and may call such meeting to take any action authorized in Section 1 of this Article XI, by publishing and mailing notice thereof as provided in Section 2 of this Article XI.

SECTION 4. To be entitled to vote at any meeting of Bondholders a person shall be (a) a holder of coupon Bonds transferable by delivery, or (b) a registered holder of Bonds (whether the same be fully registered or registered only as to principal), or (c) a person appointed by an instrument in writing as proxy for a holder of coupon Bonds transferable by delivery or for a registered holder of Bonds (whether the same be fully registered or registered only as to principal). The only persons who shall be entitled to speak at any meeting of Bondholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Railroad Company and its counsel.

SECTION 5. Notwithstanding any other provisions of the Mortgage, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Bondholders, in regard to proof of the holding of Bonds and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem advisable. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Section 2 of Article X, and the appointment of any proxy shall be proved in the manner specified in said Section 2 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, bankers or trust company authorized by said Section 2 to certify to the holding of Bonds transferable by delivery.

acquired by it in performance of such covenant and to have become subject to the lien of the Mortgage;

(c) A covenant by such successor corporation to keep the mortgaged property, so far as practicable, readily identifiable; and a stipulation that the Trustee by accepting or joining in such supplemental mortgage, shall not be deemed impliedly to have waived any rights it would otherwise have had.

SECTION 3. Nothing contained in the Mortgage or in any Bond shall prevent the Railroad Company from merging into itself or acquiring by conveyance all or any part of the property of any other corporation; provided that in case the Railroad Company shall acquire by any such merger or conveyance all or substantially all of the properties of any other corporation which shall be a Class I Carrier, the properties so acquired by the Railroad Company shall not become subject to the lien of the Mortgage unless such other corporation shall have been a Qualified Subsidiary immediately preceding such merger or conveyance; or unless such properties were (a) acquired with cash held by the Trustee under any provision of the Mortgage or by the trustee under the First Mortgage or under any mortgage securing Prior Lien Bonds, (b) acquired in exchange for property released from the lien of the Mortgage, (c) made the basis for the authentication and delivery of Bonds or First Mortgage Bonds or for the withdrawal of cash held by the Trustee under any provision of the Mortgage or by the trustee of the First Mortgage, (d) acquired pursuant to any covenant contained in the Mortgage, (e) acquired in whole or in part by the issuance of Bonds, First Mortgage Bonds or Prior Lien Bonds, or (f) acquired by expenditures from the Capital Fund provided for by Article V; or unless the Railroad Company shall file with the Trustee a Resolution determining that the lien of the Mortgage shall attach to the properties so acquired from such Class I Carrier.

in the Bonds and coupons thereafter to be issued as may be appropriate to reflect any such consolidation, merger or conveyance.

For every purpose of the Mortgage, any act or proceeding by any provision of the Mortgage authorized, required or permitted to be done or performed by the stockholders or by any board or officer of the Railroad Company shall and may be done and performed, with like force and effect, by the stockholders or by the like board or officer of any successor corporation, subject, however, to the provisions of Section 4 of this Article IX.

SECTION 6. The Railroad Company covenants and agrees that no consolidation or merger and no conveyance or lease of the mortgaged property as a whole or substantially as a whole, to which the Railroad Company or any successor corporation shall be a party, shall be made or effected unless the terms, covenants and conditions contained in this Article IX shall have been compiled with and observed by the Railroad Company or the successor corporation, as the case may be.

numbers of such Bonds and the date of his holding the same, may be proved by the production of the Bonds or by a certificate executed by any trust company, bank or bankers satisfactory to the Trustee wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Bond bearing a specified serial number was deposited with or exhibited to such trust company, bank or bankers by the person named in such certificate. Any such certificate may be issued in respect of one or more Bonds specified therein. The holding by the person named in any such certificate of any Bond specified therein shall be presumed to continue after the date thereof set forth in such certificate until and unless (a) there shall be produced another certificate issued in respect of the same Bond showing the holding thereof by another person at a later date or (b) the Bond specified in such certificate (or coupon Bond or Bonds in exchange for which such Bonds shall have been surrendered) shall be produced by another person or (c) the Bond specified in such certificate shall then be registered as to principal in the name of another person or shall have been surrendered in exchange for a registered Bond without coupons issued in the name of another person.

The ownership of coupon Bonds registered as to principal or of registered Bonds without coupons shall be proved by the registers of such Bonds, or by a certificate of the registrar thereof.

The Trustee may require such additional proof of any matter referred to in this Section 2 as it shall deem necessary.

The record of any meeting of Bondholders shall be proved in the manner provided in Section 7 of Article XI hereof.

SECTION 3. The Railroad Company, the Trustee, any paying agent and any bond registrar may deem and treat the

SECTION 4. In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, notice, consent or other action under the Mortgage, Bonds which are owned by the Railroad Company or any other obligor on the Bonds, or by any corporation of which a majority of the outstanding shares of capital stock having voting rights is then owned or controlled by the Railroad Company or any other such obligor, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided that the Trustee shall be protected in relying on any such demand, request, notice, consent or other action except as to Bonds which the Trustee knows to be so owned.

SECTION 5. At any time prior to (but not after) the taking of any action by the holders of a specified percentage in aggregate principal amount of the Bonds specified in the Mortgage in connection with such action, any holder of a Bond the serial number of which is shown to be included in the Bonds the holders of which have consented to join in such action, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 2 of this Article X, may revoke such consent so far as concerns such Bond. Except as aforesaid any such action taken by the holder of any Bond shall be conclusive and binding upon such holder and upon all future holders of such Bond, irrespective of whether or not any notation of such consent is made upon such Bond, and in any event any action taken pursuant to the Mortgage by the holders of the percentage in aggregate principal amount of the Bonds specified in the Mortgage in connection with such action shall be conclusively binding upon the Railroad Company, the Trustee and the holders of all Bonds.

(7) To take any other action or give any other consent authorized to be taken or given by or on behalf of the holders of any specified percentage or portion of the aggregate principal amount of the Bonds under any other provision of the Mortgage or under applicable law.

SECTION 2. The Trustee may at any time call a meeting of Bondholders to take any action specified in Section 1 of this Article XI, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Bondholders, setting forth the time and the place of such meeting and the action proposed to be taken at such meeting, shall be published at least once each week, for four successive weeks, in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, the first publication in any such newspaper to be not less than 30 days nor more than 60 days prior to the date fixed for the meeting. A copy of such notice shall be mailed at least 30 days prior to the date fixed for the meeting to the registered holders of registered Bonds without coupons and of coupon Bonds registered as to principal at their last addresses as they shall appear upon the bond registry books, but neither failure to give such notice by mail nor any defect therein shall affect the validity of such meeting.

SECTION 3. In case at any time the Railroad Company pursuant to a resolution of its Board of Directors, or the holders of at least ten per cent (10%) in aggregate principal amount of the Outstanding Bonds, shall have requested the Trustee to call a meeting of Bondholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within twenty days after receipt of such request, then the Railroad Company or the holders of Outstanding Bonds in the amount above speci-

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Railroad Company or by Bondholders as provided in Section 3 of this Article XI, in which case the Railroad Company or the Bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of Outstanding Bonds the holders of which shall be present or represented and entitled to vote at the meeting.

Subject to the provisions of Section 4 of Article X, at any meeting each Bondholder or proxy shall be entitled to one vote for each and every unit of the lowest principal amount of any of the Bonds then outstanding, in respect of which he is entitled to vote at the meeting, provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not outstanding and ruled by the chairman of the meeting to be not an Outstanding Bond. The chairman of the meeting shall have no right to vote other than by virtue of Outstanding Bonds held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Bondholders.

SECTION 6. Any meeting of the Bondholders may be adjourned from time to time as and when, and to such time and place, as may be approved by a majority of the votes which the holders of Bonds at the time present or represented may be entitled to cast, irrespective of the aggregate principal amount of Bonds held by such holders; and the meeting may be held as so adjourned without further notice.

Unless another percentage is prescribed by the Mortgage with respect to the exercise of a particular power by the Bondholders, any proposal submitted in accordance with the

provisions of Section 1 of this Article XI at a meeting of the Bondholders shall be adopted upon receiving the affirmative votes of the holders of not less than a majority in principal amount of all Outstanding Bonds.

SECTION 7. The vote upon any proposal submitted in accordance with the provisions of Section 1 of this Article XI shall be by written ballots on which shall be subscribed the signatures of the holders of Bonds or their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any proposal and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes cast on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article XI. The record shall show the serial numbers of the Bonds voted for or against any proposal submitted in accordance with the provisions of Section 1 of this Article XI. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Railroad Company and the other to the Trustee to be preserved by the Trustee. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 8. The Bondholders present in person or by proxy at any meeting of the Bondholders called or held for the purpose may approve the issuance of any First Mortgage Bonds

the manner specified in Section 2 of this Article XI. Each meeting held under this Section 9 shall be conducted in accordance with the provisions of Section 4, 5, 6, and 7 of this Article XI, except that the affirmative vote of the holders of a majority in aggregate principal amount of those Outstanding Bonds present in person or by proxy at such meeting shall be required to effect such appointment, and except that the record of such meeting shall be signed and verified in three counterparts, two of which shall be delivered to the Trustee.

Following such meeting, the Trustee shall deliver to the remaining voting trustees under said agreement a statement certifying that such meeting was duly called and held in accordance with the provisions of the Mortgage, accompanied by a signed and verified counterpart of the record of the meeting.

SECTION 10. Nothing in this Article XI contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Bondholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Bondholders under any of the provisions of the Mortgage or of the Bonds.

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements, and the correctness of the opinions expressed therein, upon any certificates, statements, reports or opinions furnished to the Trustee; but in the case of any such certificates, statements, reports or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Mortgage;

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, if such officer shall have been selected and continued in office in the exercise of due care, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount (or such other percentage of the principal amount specifically prescribed by the Mortgage, for a particular action) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Mortgage;

(d) In the case of any action to be taken or suffered by the Trustee, wherein the Mortgage specifically authorizes such action notwithstanding the continuance of an Event of Default, nevertheless the Trustee may rely on certificates and opinions furnished to it, but shall be under the same duty to examine the same to determine whether or not they conform to the requirements of the Mortgage, as though an Event of Default had not occurred and be continuing.

None of the provisions contained in the Mortgage shall require the Trustee to expend or risk its own funds or otherwise

cise of due care, to be authorized or within the discretion or power conferred upon it by the Mortgage.

(g) The Trustee, in its sole discretion and in order to preserve the mortgaged property, may advance moneys for the purpose of paying taxes, rentals or otherwise, and for such advances, together with interest thereon at the rate of four per cent (4%) per annum, the Trustee shall have a lien on the mortgaged property prior to any claim of the Bondholders, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

(h) The Trustee is and shall be under no duty or responsibility with respect to any property or cash pledged and deposited with, or delivered or paid to, the trustee of the First Mortgage pursuant to any provision of the Mortgage; and during such period of time as the Mortgage shall contemplate that the trustee of the First Mortgage shall hold, apply or otherwise deal with any such cash or property, or exercise authority or discretion with respect thereto, pursuant to the First Mortgage, the Trustee shall have no responsibility for any act or thing done or omitted, or any authority or discretion exercised, with respect to any such property or cash by the trustee under the First Mortgage; and the Trustee shall be entitled to give full credit to, and rely on, a statement of the trustee of the First Mortgage certifying as to any of the foregoing matters.

SECTION 3. Should any taxes or other governmental charges be imposed upon the Trustee, in its capacity as Trustee hereunder, which it may be required to pay under any present or future law of the United States of America or of any other authority therein having jurisdiction, the Trustee shall be reimbursed and indemnified therefor by the Railroad Company, and any liability incurred or amounts paid by the Trustee in respect of any such taxes or other governmental charges, until paid, shall constitute a lien upon the mortgaged property prior to any claim of the holders of Bonds, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

the production thereof on the trial or other proceedings relative thereto.

SECTION 6. The recitals contained herein and in the Bonds shall be taken as the statements of the Railroad Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the value of the mortgaged property, or as to the title of the Railroad Company thereto, or as to the validity or sufficiency of the Mortgage or of the Bonds or coupons. The Trustee shall not be accountable for the use or application by the Railroad Company of any of the Bonds or of the proceeds of such Bonds.

SECTION 7. The Trustee or any paying agent or bond registrar, in its individual or any other capacity, may become the owner or pledgee of Bonds or coupons with the same rights it would have if it were not such Trustee, paying agent or bond registrar.

SECTION 8. Subject to the provisions of Section 3 of Article XV hereof, all moneys received by the Trustee hereunder, until used or applied as herein provided, and all moneys received by the Trustee as paying agent in respect of the Bonds of any series, shall be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. So long as no Event of Default shall have occurred and be continuing, any interest allowed on any such moneys shall be paid from time to time to or upon the written order of the Railroad Company, signed by its President or any Vice President or its Treasurer or an Assistant Treasurer.

SECTION 9. The Railroad Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to receive, reasonable compensation (which shall not be limited by the statutes of any state relating to the compensation of a trustee of an express trust), and the Railroad Com-

SECTION 11. Any company into which the Trustee or any successor to it in the trusts created by the Mortgage may be merged, or with which it or any such successor may be consolidated, or any company resulting from any merger, conversion, or consolidation to which the Trustee or any such successor shall be a party, provided such company shall be a trust company or a banking corporation in good standing organized under the laws of the United States or of any State, and shall have an office in the City of Chicago, State of Illinois, or in the Borough of Manhattan, City and State of New York, and shall have a capital and surplus aggregating at least $5,000,000, shall be the successor trustee under the Mortgage without the execution or filing of any paper or the performance of any further act on the part of the parties hereto. In case any of the Bonds shall have been authenticated but not delivered, any such successor trustee may adopt the certificate of authentication of Harris Trust and Savings Bank, or of any successor to it, as Trustee hereunder, and deliver the same so authenticated; and in case any of the Bonds shall not have been authenticated, any such 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 certificate shall have the same full force which it is anywhere in the Bonds or the Mortgage provided that the certificate of the Trustee shall have; provided, however, that the right to authenticate Bonds in the name of Harris Trust and Savings Bank, shall extend only to its successor by merger, conversion or consolidation.

SECTION 12. The Trustee or any successor trustee may at any time resign and be discharged from the trusts hereby created by giving to the Railroad Company written notice of such resignation and specifying a date upon which such resignation shall take effect. Notice of such resignation shall be published once each week for two successive weeks, on days not more than sixty days nor less than thirty days prior to the

pursuant to the provisions of Sections 3, 4, 5, or 6 of Article III of the First Mortgage. Upon request of the Railroad Company authorized by a Resolution adopted by the affirmative action of not less than four-fifths of the whole Board of Directors of the Railroad Company, the Trustee shall call a meeting of Bondholders to take the action contemplated by this Section 8, and shall give notice of such meeting in the manner specified in Section 2 of this Article XI. Each meeting held under this Section 8 shall be conducted in accordance with the provisions of Sections 4, 5, 6, and 7 of this Article XI, except that the affirmative vote of the holders of not less than two-thirds in aggregate principal amount of those Outstanding Bonds present in person or by proxy at such meeting shall be required to give the approval of the Bondholders contemplated by this Section 8, and except that the record of such meeting shall be signed and verified in three counterparts, two of which shall be delivered to the Trustee.

Following such meeting, the Trustee shall deliver to the Railroad Company a statement certifying that such meeting was duly called and held in accordance with the provisions of the Mortgage, accompanied by a signed and verified counterpart of the record of the meeting.

SECTION 9. The Bondholders present in person or by proxy at any meeting of the Bondholders called or held for the purpose may appoint a successor voting trustee to fill a vacancy existing in the voting trustees pursuant to the provisions of that certain voting trust agreement dated September 1, 1944, with respect to the common stock of the Railroad Company. Upon receipt from the remaining voting trustees of written notice of the existence of such vacancy and written request so to do, the Trustee shall call a meeting of the Bondholders for the purpose of appointing a successor voting trustee to fill such vacancy, and shall give notice of such meeting in

ARTICLE XII

CONCERNING THE TRUSTEE

SECTION 1. The Trustee accepts the trusts hereby created upon the terms and conditions in this Article XII specified, to all of which the Railroad Company and the holders of the Bonds and coupons at any time outstanding, by their acceptance thereof, agree.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all such Events of Default which may have occurred, shall perform such duties and only such duties as are specifically set forth in the Mortgage. Whenever and so long as an Event of Default has occurred and is continuing, the Trustee shall exercise such of the powers vested in it by the Mortgage, and use the same degree of care and skill in their exercise, as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of the Mortgage shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that:

(a) Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of the Mortgage, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Mortgage, and no implied covenants or obligations shall be read into the Mortgage against the Trustee; and

incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

SECTION 2. Except as otherwise provided in Section 1 of this Article XII:

(a) The Trustee may rely and shall be protected in acting upon any Resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, direction, bond, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any request, direction, order or demand of the Railroad Company mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Railroad Company by the President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, unless other evidence in respect thereof be herein specifically prescribed;

(c) The Trustee may consult with counsel (including counsel in its employ) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) The Trustee shall be under no obligation to exercise any of the trusts or powers hereof at the request, order or direction of any of the Bondholders, pursuant to the provisions of the Mortgage, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) The Trustee shall not be personally liable in case of entry by it upon the mortgaged property for debts contracted or liability or damages incurred in the management or operation of said property;

(f) The Trustee shall not be liable for any action taken by it in good faith and believed by it, in the exer-

SECTION 4. Except as herein otherwise provided, any notice or demand which by any provision of the Mortgage is required or permitted to be given or served by the Trustee or any other person on the Railroad Company, shall be deemed to have been sufficiently given and served for all purposes by being deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Railroad Company with the Trustee and thereafter if addressed to such new address) as follows: Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, Minneapolis, Minnesota. Any notice, request or demand by any Bondholder to or upon the Trustee shall be deemed to have been sufficiently given or made for all purposes, if given or made at the principal office of the Trustee.

SECTION 5. The Trustee shall not be bound to recognize any person as the holder of a Bond outstanding hereunder unless and until the Bond is submitted to the Trustee for inspection if required, and the title thereto established to the satisfaction of the Trustee.

Except as provided in Section 7 of Article VIII, the Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of the Mortgage, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Trustee may agree with the Railroad Company to pay.

Any action at any time taken by the Trustee pursuant to or with respect to the Mortgage at the request or with the consent or approval (expressed or implied) of any person who at the time is the holder of any Bond secured hereby, shall be conclusive and binding upon all future holders of such Bond.

All rights of action under the Mortgage may be enforced by the Trustee without the possession of any of the Bonds or

pany will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of the Mortgage (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement and advance as may arise from its negligence or bad faith. The Railroad Company also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created by the Mortgage, including the costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Railroad Company under this Section 9 to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall be secured by the lien hereof prior to the claims of the Bonds upon the mortgaged property, except as to funds held in trust for the benefit of the holders of particular Bonds or coupons.

SECTION 10. Except as otherwise provided in Section 1 of this Article XII, whenever in the administration of the trusts of the Mortgage the Trustee 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, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee and such Certificate shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of the Mortgage upon the faith thereof.

date so specified, in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, and such resignation shall take effect on the date specified in said notice or on the date of the appointment of a successor trustee as hereinafter provided, whichever shall be later.

The Trustee or any successor trustee may be removed with or without cause at any time by the holders of a majority in principal amount of the Outstanding Bonds by an instrument or concurrent instruments signed by such holders or their attorneys-in-fact duly authorized. Any Trustee so removed shall be entitled to its reasonable compensation then accrued and unpaid and to reimbursement for proper expenses theretofore incurred and not previously reimbursed.

SECTION 13. In case at any time the Trustee or any successor trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver of the Trustee or any successor, or of its property, shall be appointed, or if any public officer in the exercise of his official powers shall take charge or control of the Trustee or any successor, or its property or affairs, or if a vacancy shall arise in the trusteeship under the Mortgage from any cause, a successor trustee or successor trustees may be appointed by the holders of a majority in principal amount of the Outstanding Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or their attorneys-in-fact duly authorized and delivered to such new trustee hereunder, notification being given to the Railroad Company and the predecessor trustee; provided, however, that until a new trustee shall be appointed by the Bondholders as aforesaid and shall accept such appointment, the Railroad Company, by an instrument duly executed

and acknowledged by its proper officers, by authority of its Board of Directors, may appoint a trustee to fill the vacancy until the appointment of a new trustee by the Bondholders as herein authorized. The Railroad Company shall publish notice of any such appointment by it made once each week for two successive weeks in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota. Any new trustee appointed by the Railroad Company shall, immediately and without further act, be superseded by a trustee appointed by the Bondholders in the manner above provided if such appointment by the Bondholders be made within one year after the first publication of the notice of the appointment of the new trustee by the Railroad Company.

Every trustee appointed under any of the provisions of this Section 13 shall be a trust company or a banking corporation in good standing organized under the laws of the United States or of any State, having an office in the City of Chicago, State of Illinois, or in the Borough of Manhattan, City and State of New York, and having a capital and surplus aggregating at least $5,000,000.

If in a proper case no appointment of a successor trustee shall be made by the Bondholders pursuant to the foregoing provisions of this Section 13 within six months after the happening of any of the events set forth in the first paragraph of this Section 13, the holder of any Bond outstanding hereunder or any retiring trustee hereunder may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint a successor trustee. Any trustee appointed by the Railroad Company shall, immediately and without further act, be superseded by a trustee

the trusts hereunder which it may have, and upon request of any such successor trustee the Railroad Company shall execute, acknowledge and deliver any and all deeds, conveyances or other instruments in writing for more fully and certainly vesting in and confirming to such successor trustee said estates, properties, rights, powers and duties, provided, however, that such successor trustee shall not authenticate Bonds in the name of such predecessor trustee.

Section 14. If at any time or times it shall be necessary or prudent in order to conform to any law of any state in which the Railroad Company shall at the time hold any property subject to the lien of the Mortgage, or the Trustee shall be advised by counsel satisfactory to it that it is so necessary or prudent in the interest of the Bondholders, or if the holders of a majority in principal amount of the Bonds shall in writing so request the Trustee or the Railroad Company, the Trustee and the Railroad Company shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Trustee and the Railroad Company, either to act hereunder as co-trustee or co-trustees with respect to all or any of the property subject to the lien of the Mortgage, jointly with the Trustee, or to act hereunder as separate trustee or trustees with respect to any such property. In the event the Railroad Company shall not have joined in the execution of such instruments and agreements within thirty (30) days after the receipt of a written request from the Trustee so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee may act under the foregoing provision of this Section 14 without the concurrence of the Railroad Company; and the Railroad Company hereby fully empowers the Trustee so to act and appoints the Trustee its agent and attorney to act for it under

may remove any such additional trustee and in that case, by an instrument in writing executed by them jointly, may appoint a successor to such additional trustee as the case may be. In the event that the Railroad Company shall not have joined in the execution of any such instrument within ten (10) days after the receipt of a written request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee shall have the power to remove any such additional trustee and to appoint a successor additional trustee without the concurrence of the Railroad Company; the Railroad Company hereby empowers the Trustee to make such removal and appointment and appoints the Trustee, its agent and attorney to act for it in such connection and in such contingency. In the event that the Trustee alone shall have appointed an additional trustee as above provided, it may at any time by an instrument in writing remove any such additional trustee, the successor to any such additional trustee to be appointed by the Railroad Company and the Trustee, or by the Trustee alone, as hereinbefore in this Section 14 provided.

Subject to requirements of context and to the foregoing, the term "Trustee" appearing throughout the Mortgage shall be deemed to include each such additional Trustee.

Section 15. The Trustee is hereby appointed (and the successive holders of the Bonds, by taking and holding the same, shall conclusively be deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Bonds, 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 and coupons or in behalf of all holders of the Bonds and coupons as a class, any proof of debt, amendment to any proof of debt, petition or other

ARTICLE XIII

Remedies of Trustee and Bondholders

Section 1. The Railroad Company will not, directly or indirectly, extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the Bonds, and it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or refunding said coupons or claims for interest or in any other manner; and if the time for payment of any such coupon or claim for interest shall be so extended, with the consent of the Railroad Company, such coupon or claim for interest shall not be entitled, in case of default hereunder, to the benefit of the security of the Mortgage, except subject to the prior payment in full of the principal of all Outstanding Bonds and all coupons and claims for interest thereon, the payment of which shall not have been so extended; provided, that the foregoing provisions of this Section 1 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 was made pursuant to a plan proposed by the Railroad Company to all holders of any one or more series of Bonds. If, at or after the maturity of Bonds, any coupons or claims for interest in respect of such Bonds shall be owned by the Railroad Company, or shall be purchased by it or on its behalf, then such matured coupons or claims for interest shall not be entitled to the benefit or security of the Mortgage, and the Railroad Company covenants that all such matured coupons and claims for interest shall be cancelled promptly upon such maturity if then owned by the Railroad Company or upon their purchase if purchased by or on behalf of the Railroad Company at or after such maturity.

Section 2. If one or more of the following events, herein called Events of Default, shall occur, that is to say:

(a) Default shall be made in the payment of any in-

liquidator or trustee in bankruptcy or insolvency of the Railroad Company or of its property, or any substantial portion of its property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for sixty (60) days; or

(f) The Railroad Company shall institute proceedings to be adjudged a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or shall make an assignment for the benefit of creditors; or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Railroad Company in furtherance of any of the aforesaid purposes;

(g) An Event of Default as defined in the First Mortgage shall occur and be continuing;

then, and in each and every such case, the Trustee personally or by its agents or attorneys, to the extent permitted by law, may enter into and upon all or any part of the mortgaged property, and each and every part thereof, and may exclude the Railroad Company, its agents and servants wholly therefrom; and having and holding the same may use, operate, manage and control the mortgaged property or any part thereof, and conduct the business of the Railroad Company, either personally or by its superintendents, managers, agents, servants, attorneys, receivers or trustees, in such manner as the Trustee may deem to be to the best advantage of the Bondholders, and upon every such entry the Trustee, at the expense of the mort-

shall have become due and be unpaid, to the payment of the interest on the Outstanding Bonds, in the order of the maturity of the instalments of such interest, with interest (to the extent permitted by law) on such overdue instalments of interest at the highest rate of interest borne by any of the Outstanding Bonds, such payments to be made proportionately to the persons entitled thereto without discrimination or preference.

(ii) If the principal of all or any part of the Bonds shall have become due, by declaration or otherwise, and shall be unpaid, *first* to the payment of interest on the Outstanding Bonds prior to the date upon which the principal of said Bonds became due and payable, in the order of the maturity of the instalments of such interest, with interest (to the extent permitted by law) on such overdue instalments of interest at the highest rate of interest borne by any of the Outstanding Bonds, and *second* to the payment of interest on the overdue principal of said Bonds and (to the extent permitted by law) on such interest at the highest rate of interest borne by any of the Outstanding Bonds, and *third* (subject to the provisions of Section 4 of this Article XIII), to the payment of the principal of all of said Bonds, whether due or not; in every instance such payments to be made proportionately to the persons entitled thereto without discrimination or preference.

These provisions, however, are not intended to and shall not be deemed in any wise to modify the provisions of Section 1 of this Article XIII but are subject thereto.

Section 3. If the Trustee, under the powers in the Mortgage granted, or a receiver or any trustee appointed under the provisions of the Bankruptcy Act, or any other state or federal law, shall have entered into possession of the mortgaged property, or a part thereof, or one or more Events of De-

appointed by any such court in the manner above provided, if such appointment by such court be made within eighteen months after the first publication of the notice of the appointment of the new trustee by the Railroad Company. If application shall be made to any such court within such eighteen months' period in this paragraph provided, the Bondholders shall have no power to appoint a trustee as in this Section 13 provided unless such application shall be dismissed within one year after the first publication of the notice of the appointment of a new trustee by the Railroad Company.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the predecessor trustee hereunder and to the Railroad Company an instrument in writing accepting such appointment hereunder, and thereupon said 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 herein; but the retiring trustee, nevertheless, on the written request of the Railroad Company or of the successor trustee, and upon payment of its unpaid compensation and expenses, if any, shall execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in said successor trustee all the right, title and interest of the retiring trustee in and to the mortgaged property and said rights, powers, trusts, duties and obligations; and the retiring trustee shall also, upon like request and upon payment of its unpaid compensation and expenses as aforesaid, pay over, assign and deliver to the successor trustee any money and other property subject to the lien of the Mortgage then held by it, and deliver any and all records, or copies thereof, in respect of

the foregoing provision of this Section 14 in either of such contingencies.

Every such additional trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Trustee shall act, subject to the following provisions and conditions, namely:

(a) the Bonds shall be authenticated and delivered and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody, control and management of moneys, papers or securities, shall be exercised solely by Harris Trust and Savings Bank or its successor, as Trustee hereunder;

(b) all rights, powers, duties and obligations conferred or imposed upon the trustees or any of them shall be conferred and imposed upon and exercised or performed by Harris Trust and Savings Bank or its successor, as Trustee or Harris Trust and Savings Bank or its successor, as Trustee, and such additional trustee jointly, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed, Harris Trust and Savings Bank or its successor, as Trustee, shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such additional trustee;

(c) no power hereby given to, or which it is hereby provided may be exercised by, any such additional trustee shall be exercised hereunder by such additional trustee except jointly with, or with the consent in writing of Harris Trust and Savings Bank or its successor, as Trustee;

(d) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(e) the Railroad Company and the Trustee at any time by an instrument in writing executed by them jointly

document, and to execute any and all other papers and documents and do and perform any and all other acts and things for and in behalf of the respective holders of the Bonds and coupons, or in behalf of all holders of the Bonds and coupons as a class, as may be necessary or advisable in the opinion of the Trustee in order to have the claims of the holders of the Bonds and coupons against the Railroad Company, or any successor, or any other person or corporation, allowed in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings which shall involve the Railroad Company or the mortgaged property or any part thereof, and to receive payment of or on account of any such claim or claims; and any receiver, assignee or trustee in any such proceeding is hereby authorized by each of the Bondholders to make such payments to the Trustee. The appointment made and authority granted by this Section 15 may be revoked by any holder of the Bonds or coupons with respect to Bonds or coupons held by him at any time after institution of any such proceeding, by delivering notice of such revocation to the Trustee and filing a copy thereof in such proceeding. Nothing herein contained shall give the Trustee authority to assent to or reject on behalf of any holder of Bonds and coupons any plan of reorganization proposed or approved in any such proceeding.

stalment of interest on any of the Outstanding Bonds when and as such interest shall become due and payable as therein and in the Mortgage expressed; or

(b) Default shall be made in the payment of the principal of any of the Outstanding Bonds, or the premium thereon payable on redemption thereof, when the same shall become due and payable either by the terms thereof or otherwise as herein provided; or

(c) Default shall be made in the deposit of any moneys when and as required to be deposited with the Trustee as and for the Series A Sinking Fund, and such default shall continue for sixty days; or

(d) Default shall be made in the observance or performance of any other of the covenants, conditions or agreements on the part of the Railroad Company, its successors or assigns, contained in the Bonds or in the Mortgage, and such default shall continue for sixty days (or in case of any default under a supplemental indenture for such other time, if any, as may be specified therein) after written notice specifying such default and requiring the same to be remedied shall have been given to the Railroad 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 twenty-five per cent (25%) in principal amount of the then Outstanding Bonds; or

(e) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Railroad Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Railroad Company under the Bankruptcy Act or any other state or federal law, and such decree or order shall have continued undischarged or unstayed for sixty (60) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or

gaged property, from time to time, either by purchase, repair or construction, may maintain and restore the rolling stock, tools and machinery and other property, buildings, bridges and structures erected upon or provided for use in connection with said railways and other premises whereof it shall become possessed as aforesaid, and may insure or keep insured such of the same as are usually insured by railway companies and in the same manner and to the same extent; and likewise from time to time, at the expense of the mortgaged property, may make all necessary or proper repairs, renewals and replacements and useful alterations, additions, betterments and improvements to and on the mortgaged property, and purchase or otherwise secure the use of additional engines, rolling stock, tools, machinery and other property for use thereon, as to it may seem judicious; and, in such case, the Trustee shall have the right to manage the mortgaged property and to carry on the business and exercise all rights and powers of the Railroad Company with respect thereto, either in the name of the Railroad Company or otherwise, as the Trustee shall deem best; and shall be entitled to collect and receive all rates, fares, tolls, earnings, incomes, rents, issues, revenues and profits of the same and every part thereof, including the income from stock, bonds or other obligations subject to the Mortgage; and after deducting the expenses of operating said railways and other premises, and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the mortgaged property, or any part thereof, as well as just and reasonable compensation for its own services and for the services of all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, the Trustee shall apply the rest and residue of the moneys arising as aforesaid as follows:

(i) If the principal of none of the Outstanding Bonds

fault shall have occurred and be continuing, the Trustee (to the extent permitted by law) shall be entitled to exercise, while such default shall continue, all right and power to vote and consent with respect to all shares of stock, bonds and other obligations subject to the lien of the Mortgage, and, for the benefit of the Bondholders, shall be entitled to collect and receive all dividends on all shares of stock and all sums payable for principal, interest or otherwise upon any bonds or other obligations that shall then be subject to the Mortgage and shall apply, as hereinbefore in Section 2 of this Article XIII provided, any moneys so received; and, as the holder of any such shares of stock, bonds or other obligations, shall be entitled to perform any and all acts, or to make and execute any and all transfers, requests, requisitions or other instruments, for the purpose of carrying out the provisions of this Section 3.

SECTION 4. In case one or more Events of Default shall have occurred and be continuing, then in each and every such case unless the principal of all the Outstanding Bonds already shall have become due and payable, the Trustee may, and upon the written request of the holders of twenty-five per cent (25%) in principal amount of the Outstanding Bonds shall, by notice in writing mailed to the Railroad Company, declare the principal of all Outstanding Bonds to be forthwith due and payable, and upon any such declaration the same shall become and be forthwith due and payable, together with all accumulations of unpaid interest, if any, notwithstanding the date of maturity thereof as stated in such Bonds or in the coupons, if any, pertaining thereto, or in the Mortgage. This provision, however, is subject to the condition, that, if at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as

hereinafter provided or any sale of the mortgaged property or any part thereof shall have been made, all unpaid accumulated interest (if any) upon all Outstanding Bonds, and all interest accrued and to accrue thereon to the end of the calendar year then current, with interest (to the extent permitted by law) on overdue instalments of interest at the highest rate of interest borne by any of the Outstanding Bonds, and the principal (and premium, if any) of any Bonds which shall have become due otherwise than by acceleration under this Section 4, and the reasonable charges and expenses of the Trustee, its agents and attorneys, shall either be paid by the Railroad Company or be collected out of the income of the mortgaged property, or be provided for by the deposit with the Trustee of a sum sufficient to pay the same, and all other defaults made good to the satisfaction of the Trustee, then and in every such case the holders of two-thirds in principal amount of the Outstanding Bonds, by written notice to the Railroad 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 Bonds, but no such waiver or annulment 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 the Mortgage, by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver or annulment, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Railroad Company and the Trustee shall be restored to their former position and rights hereunder in respect of the mortgaged property, and all rights, remedies and powers of the Railroad Company and of the Trustee shall continue thereafter as though no such proceedings had been taken.

or sale herein conferred, or the taking of appropriate judicial proceedings by action, suit or otherwise) as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

SECTION 6. In the event of any sale, whether made under the power of sale herein granted or conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the mortgaged property shall be sold in one parcel and as an entirety, unless such sale as an entirety is impracticable in the opinion of the Trustee by reason of some statute or other circumstance, or unless the holders of a majority in principal amount of the Outstanding Bonds 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 and in such order as may be specified in such request.

The Railroad Company, for itself and all persons and corporations hereafter claiming through or under it, or who may at any time hereafter become holders of liens junior to the lien of the Mortgage, hereby expressly waives and releases all right to have the mortgaged property marshalled upon any foreclosure or other enforcement hereof, and the Trustee or any court in which the foreclosure of the Mortgage or the administration of the trusts hereby created is sought shall have the right as aforesaid to sell the entire property of every description comprised in the mortgaged property, as a whole in a single lot or parcel.

SECTION 7. Notice of any sale pursuant to any provision of the Mortgage shall state the time and place of said sale, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each

conferred, or under or by virtue of any judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Railroad Company of, in and to the premises and property sold, and shall be a perpetual bar, both at law and in equity, against the Railroad 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 Railroad Company, its successors or assigns.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to the Mortgage, other than stocks and bonds and other obligations or securities or claims, shall be real property for all the purposes of the Mortgage, and shall be held and taken to be fixtures and appurtenances of the Railroad Company's lines of railroad and a part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

The receipt of the Trustee for the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be a sufficient discharge therefor 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 the Mortgage, or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication 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 10. In case of a sale of the mortgaged property substantially as a whole under any of the foregoing provisions

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 XIII.

Third. To the payment of the surplus, if any, to the Railroad 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 12. In case of any sale under the foregoing provisions of this Article XIII, whether made under the power of sale hereby granted or pursuant to judicial proceedings, 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, subject to the provisions of Section 1 of this Article XIII, 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 or registered owner of such Bonds and coupons, as his proportionate share of such net proceeds; and such purchaser shall be credited on account of the purchase price payable by him with the sums payable out of such net proceeds which shall be applicable to the payment of and which 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 said sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 13. The Railroad Company covenants that (1) if default shall be made in the payment of any interest on any Outstanding Bond, or (2) if default shall be made in the payment of the principal of any of such Bonds, or the pre-

no levy of any execution upon the mortgaged property, or upon any other property, shall in any manner, or to any extent, affect the lien of the Mortgage upon the mortgaged property, or any part thereof, or any lien, rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the Bondholders, but such lien, rights, powers and remedies shall continue unimpaired as before, except as otherwise provided by law.

Any moneys collected by the Trustee under this Section 13 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, liabilities and advances made or incurred by the Trustee in managing or maintaining the mortgaged property, except such as may have arisen by its negligence or bad faith; and

Second, to the payment of the amounts then due and unpaid upon the Bonds and coupons in respect of which such moneys shall have been collected, without any preference or priority of any kind, but subject to the provisions of Section 1 of this Article XIII, proportionately according to the amounts due and payable upon such Bonds and coupons, respectively, at the date fixed by the Trustee for distribution of such moneys, upon presentation of the several Bonds and coupons and their surrender if fully paid, or for proper stamping if only partially paid.

SECTION 14. The Railroad Company will not at any time insist upon or plead, or claim or take advantage of any statute or rule of law, now or hereafter in force, wherever enacted or established, in aid of debtors or permitting or providing for (a) the staying of actions in respect of mortgages or

property and of the earnings, rents, issues, profits, tolls, revenues and income thereof, with such powers as the court making such appointment shall confer, and (ii) to the entry of an order directing that the rents, issues, profits, tolls, revenues and other income of the premises and property comprised in the mortgaged property be segregated, sequestered and impounded for the benefit of the Trustee and the Bondholders from and after the date of the institution of any judicial proceedings of the nature referred to in this Section 15 or in clauses (e) and (f) of Section 2 of this Article XIII. Notwithstanding the appointment of any such receiver, the Trustee, as pledgee, shall be entitled to retain possession and control of, and to collect all interest and dividends or earnings on, any shares of stock, cash, bonds and other obligations pledged with it as security hereunder.

The Railroad Company hereby irrevocably consents to the appointment of such receiver and to the entry of such order.

SECTION 16. Upon application of the Trustee to any court of competent jurisdiction, and with the consent of the Railroad Company if none of the Events of Default shall have occurred and be continuing, and without such consent if one or more of the Events of Default shall have occurred and be continuing, a receiver may be appointed to take possession of, and to operate, maintain and manage the mortgaged property or any part thereof, and any other property of the Railroad Company used for, in or about, or the use or possession whereof shall be essential to, the operation of the mortgaged railroads or any thereof, and the Railroad 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 of any part of said property shall be appointed under this Section 16, or otherwise, the net income and profits of the mortgaged property shall be paid over to, and shall be re-

SECTION 5. In case one or more Events of Default shall have occurred and be continuing, the Trustee, with or without entry, personally or by attorney, in its discretion may

(a) If and to the extent permitted by law, sell, subject to any prior liens thereon, to the highest bidder, all and singular the mortgaged property, and all right, title and interest, claim and demand therein, free from any right of redemption thereof, in one parcel and as an entirety, except as in Section 6 of this Article XIII provided; which sale or sales shall be made at public auction at such place in the City of Minneapolis, Minnesota, or at such other place or places, 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 XIII provided; or

(b) Proceed to protect and to enforce its rights and the rights of holders of the Outstanding Bonds 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 the Mortgage, 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 its rights or duties and the rights of holders of the Outstanding Bonds.

Upon the written request of the holders of twenty-five per cent (25%) in principal amount of the then Outstanding Bonds, in case any Event of Default shall have occurred and be continuing as aforesaid, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to exercise such one or more of the remedies available for the protection and enforcement of its rights and the rights of the Bondholders (including the exercise of the powers of entry

week for four successive weeks prior to such sale in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, and in such other manner as may be required by law.

SECTION 8. The Trustee may adjourn from time to time any sale to be made by it under the provisions of the Mortgage, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales, and without further notice or publication (unless otherwise required by law) such sale may be made at any time or place to which the same shall be so adjourned.

SECTION 9. Upon the completion of any sale or sales under the Mortgage, the Trustee or the court officer conducting the sale 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 and its successors are hereby irrevocably appointed the true and lawful attorneys, of the Railroad Company, in its name and stead to make all necessary deeds, bills of sale and conveyances of the property and franchises and all necessary transfers of shares of stock or bonds or other obligations thus sold; and may substitute one or more persons with like power, the Railroad Company hereby ratifying and confirming all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, the Railroad Company, if so requested by the Trustee, shall ratify such sale by executing and delivering such deeds of conveyance, bills of sale or other instruments of assignment and transfer, as in the judgment of the Trustee may be advisable.

Any such sale or sales made under or by virtue of the Mortgage, whether under the power of sale hereby granted and

of this Article XIII, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all Bonds then outstanding, if not previously due, immediately thereupon shall become due and payable, notwithstanding the date of maturity thereof as stated in such Bonds or in the Mortgage.

SECTION 11. The purchase money, proceeds and avails of any such sale, whether made under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which then may be held by or for the Trustee under any of the provisions of the Mortgage as part of the mortgaged property or of the proceeds thereof, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including 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 mortgaged property, except such as may have arisen by its negligence or bad faith, and to the payment of all taxes, assessments or liens prior to the lien of the Mortgage, except taxes, assessments and prior liens, if any, subject to which the property shall have been sold.

Second. To the payment of the whole amount then due and unpaid upon the Bonds for principal and interest with interest on the overdue principal and (to the extent permitted by law) on the overdue instalments of interest at the highest rate of interest borne by any of the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest proportionately, according to the aggregate of such principal and accrued and unpaid interest, without preference or priority of any Bond over any other Bond of the same or of another series or of principal

mium thereon payable on redemption thereof, when the same shall become due and payable, whether at the maturity of such Bonds, upon redemption, by declaration or by a sale of the mortgaged property, or otherwise, then, upon demand of the Trustee, the Railroad Company will pay to the Trustee for the benefit of the holders of such Bonds and coupons the whole amount then due and payable on such Bonds and coupons, for principal (and premium, if any) or interest, or both, as the case may be, with interest on the overdue principal and (to the extent permitted by law) on the overdue instalments of interest at the highest rate of interest borne by any of the Outstanding Bonds; and in case the Railroad Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as 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 institute and prosecute any action and enforce any judgment or final decree as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of the Mortgage, and the right of the Trustee to such judgment or final decree 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 the Mortgage or the foreclosure of the lien hereof; and in case of a sale of the mortgaged property or any part thereof, 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 and coupons, for the benefit of the holders thereof, and shall be entitled to institute and prosecute any action and enforce any judgment or final decree as aforesaid for any portion of the said debt remaining unpaid, with interest. No judgment or decree obtained by the Trustee, and

mortgage indebtedness, or for extending the time for payment of such indebtedness; (b) the valuation or appraisement of the property held under any mortgage or pledge to secure indebtedness prior to any sale or sales thereof pursuant to the terms of such mortgage or pledge or to the decree, judgment or order of any court; or (c) the redemption of any property so sold; and the Railroad Company hereby expressly waives all benefit and advantage of any such statute or rule of law, and 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 statute or rule of law had been enacted or established.

SECTION 15. In case (1) an Event of Default shall occur and (a) at any time during the continuance of such Event of Default there shall be any existing judgment against the Railroad Company unsatisfied and unsecured by bond on appeal or (b) in any judicial proceeding by any party other than the Trustee, a receiver shall be appointed of the Railroad Company or of its property or any part thereof, or a judgment or order be entered for the sequestration of its property or any part thereof; or, in case (2) the Railroad Company shall make default in the payment of interest specified in clause (a) of Section 2 of this Article XIII, and shall by resolution of its Board of Directors admit to the Trustee the inability to make good such default; then the Trustee, in either such case, shall thereupon be entitled, in the discretion of the Trustee, 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 happening and continuance of an Event of Default as hereinbefore provided; and the Trustee shall thereupon be entitled as a matter of right (i) to the appointment of a receiver of the mortgaged

ceived by, the Trustee for the benefit of the holders of the Bonds and coupons to be applied as provided in Section 2 of this Article XIII; provided however, that, notwithstanding the appointment of any such receiver, the Trustee shall be entitled to retain control of, and to collect all interest and dividends or earnings on, any shares of stock, cash, bonds and other obligations pledged with it as security hereunder.

SECTION 17. 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 the Mortgage, or for the execution of any trust hereunder, including the appointment of a receiver, or for any other remedy hereunder, unless such holder previously shall have delivered to the Trustee written notice that one or more Events of Default, which default or defaults shall be specified in such notice, has happened and is continuing and unless also the holders of not less than twenty-five per cent (25%) in principal amount of the then Outstanding Bonds shall have requested the Trustee in writing and shall have afforded 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, and unless holders of Bonds shall have offered to the Trustee adequate security and indemnity, satisfactory 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 on such notification, request and offer of indemnity for at least thirty days; 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 exercise of the powers and trusts of the Mortgage and to any action or cause of action for foreclosure, including the appointment of a receiver or trustee, or for any other remedy hereunder; it being understood and intended that no holder of any

Bond or coupon shall have any right in any manner whatever by his action to affect, disturb or prejudice the lien of the Mortgage 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 or maintained in the manner herein provided, and for the equal benefit of all holders of the Outstanding Bonds and coupons.

Nothing contained in this Section 17 or elsewhere in the Mortgage or in the Bonds or in the coupons shall affect or impair the obligation of the Railroad Company, which is unconditional and absolute, to pay the principal of and interest, if any, on the Bonds to the respective holders of the Bonds and to the respective holders of the coupons, at the times and places in such Bonds or coupons stated, nor affect or impair the right of action at law, which is also absolute and unconditional, of such holders to collect such payment.

SECTION 18. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy or remedies, 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 19. No delay of the Trustee or of any Bondholder in exercising any right or power accruing upon any default continuing as aforesaid and no omission to exercise any such right or power 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 XIII to the Trustee, or to any Bondholder, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such Bondholder, respectively.

suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 22 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding more than 10% in aggregate principal amount of the outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the due date expressed in such Bond.

ARTICLE XV

DEFEASANCE

SECTION 1. If (a) the Railroad Company shall deliver to the Trustee for cancellation all Bonds and appurtenant coupons not theretofore cancelled and delivered to the Trustee, or (b) all Bonds not theretofore delivered to the Trustee cancelled or for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Railroad Company shall deposit with the Trustee as trust funds an amount sufficient to pay at maturity or upon redemption all of the Bonds not theretofore delivered to the Trustee cancelled or for cancellation, including the principal thereof, premium, if any, and the full amount of unpaid interest which has or will become due to such date of maturity or redemption, as the case may be, and if in either case the Railroad Company shall also pay or cause to be paid all other sums payable hereunder by the Railroad Company, then the Mortgage shall cease to be of further effect. In such event the Trustee, on demand of the Railroad Company and at its cost and expense, shall execute and deliver to the Railroad Company such instrument or instruments as may be appropriate to acknowledge satisfaction of the Mortgage, and as will enable the Railroad Company to have the Mortgage discharged of record, and shall release and assign, or cause to be released and assigned, to the Railroad Company all of its interest in the mortgaged property, and shall deliver to the Railroad Company or upon its order all securities and moneys then held by the Trustee under the provisions hereof other than the money deposited as above provided in this Article XV. The Railroad Company agrees

ARTICLE XVI

SUPPLEMENTAL INDENTURES

SECTION 1. The Railroad Company, when authorized by a Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) To convey, transfer and assign to the Trustee and subject to the lien of the Mortgage, with the same force and effect as though included in the granting clauses hereof, additional property then owned by the Railroad Company, acquired through consolidation, merger, purchase or otherwise;

(b) To evidence the succession of another corporation to the Railroad Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Railroad Company pursuant to Article IX;

(c) To set forth the terms and provisions of any series of Bonds to be issued hereunder and the form of the Bonds and coupons of such series;

(d) To add to the covenants of the Railroad Company such further covenants for the protection of the mortgaged property and the Bondholders as the Board of Directors and the Trustee shall consider to be for the protection of the Bondholders, and to make the occurrence and continuance of a default under any of such additional covenants a default permitting the enforcement of all or any of the several remedies provided in the Mortgage; provided, however, that in respect of any such additional covenant, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement of said remedy or remedies upon such default or may limit the remedies available to the Trustee upon such default or may authorize the holders of not less than a majority in aggregate prin-

(a) modifying, altering, adding to or eliminating any of the provisions of the Mortgage or the rights of the holders of the Bonds and coupons or the rights and obligations of the Railroad Company;

(b) sanctioning any compromise of the rights of the holders of Bonds against the Railroad Company or against its property whether such right shall arise under the provisions of the Mortgage or otherwise;

(c) sanctioning and approving any plan for the reorganization, readjustment or liquidation of the Railroad Company;

provided, however, that no such modification, alteration, addition, elimination, sanction or approval shall, without in each case the consent of the holders of all Bonds affected thereby,

(i) reduce the principal amount of or the interest on any Bonds, or change the place or medium of payment thereof; or

(ii) permit the creation by the Railroad Company of any mortgage or other lien ranking prior to or on a parity with a lien of the Mortgage with respect to any property covered thereby except as in the Mortgage otherwise expressly provided; or

(iii) effect a reduction of the percentage required for any action authorized to be taken by the holders of the Bonds; or

(iv) alter or impair the obligation of the Railroad Company to pay the principal of the Series A Bonds when due;

and provided further that no such modification, alteration, addition or elimination shall affect the rights, duties or immunities of the Trustee without the written consent of the Trustee.

It shall not be necessary for the consent of the Bondholders under this Section 2 to approve the particular form of

ered without cost to the holders of Bonds of the same series then outstanding, upon surrender of such Bonds accompanied, in the case of coupon Bonds, by all unmatured coupons and all unpaid matured coupons which shall be appurtenant thereto, the new Bonds so issued to be of an aggregate principal amount equal to the aggregate principal amount of those so surrendered.

SECTION 20. The Trustee shall have power, but shall be under no duty, 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 it may be advised and believe is 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 Bondholders.

SECTION 21. The holders of a majority in aggregate principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or the exercise or non-exercise of any trust or power conferred on the Trustee. The holders of two-thirds in aggregate principal amount of the Outstanding Bonds may on behalf of the holders of all of the Bonds waive any past default hereunder and its consequences except an Event of Default specified in clauses (a), (b) or (c) of Section 2 of this Article XIII. In the case of any such waiver, the Railroad Company, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 22. All parties to the Mortgage agree, and each holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Mortgage, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such

ARTICLE XIV

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, DIRECTORS AND OFFICERS

No recourse under or upon any obligation, covenant or agreement of the Mortgage, or of any Bond or coupon, or because of the creation of any indebtedness represented thereby, shall be had against any past, present or future incorporator, stockholder, officer or director, as such, of the Railroad Company or of any successor corporation, either directly or through the Railroad Company, 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 understood that the Mortgage and the Bonds issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, such incorporators, stockholders, officers or directors of the Railroad Company or of any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Mortgage or in any of the Bonds or coupons or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Mortgage or in any of the Bonds or coupons or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of the Mortgage and the issue of such Bonds and coupons.

to reimburse the Trustee for any costs or expenses reasonably and properly incurred by the Trustee in connection with the Mortgage or with the Bonds.

SECTION 2. All moneys deposited with the Trustee pursuant to Section 1 of this Article XV shall be held in trust and applied by it to the payment to the holders of the Bonds and coupons of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 3. Any moneys deposited by the Railroad Company with the Trustee or with any paying agent for the payment of the principal of, or the premium or interest on, any Bond which shall remain unclaimed by the holder of any Bond or coupon entitled to receive the same for six years after the date upon which the principal of such Bond shall have become due and payable (upon redemption or otherwise) shall be repaid to the Railroad Company on demand; and the holder of any Bond or coupon entitled to receive such payment shall thereafter look only to the Railroad Company for the payment thereof; provided, however, that (a) before any such repayment may be made, the Trustee, at the expense of the Railroad Company shall cause to be published once a week for two successive calendar weeks (in each case on any day of the week) in a Daily Newspaper in the Borough of Manhattan, City and State of New York, and in a Daily Newspaper in each of the Cities of Chicago, Illinois, and Minneapolis, Minnesota, a notice that said moneys have not been claimed and that after a date named therein any balance of said moneys then remaining will be returned to the Railroad Company, and (b) the amount of such repayment shall be limited to the balance of such moneys unclaimed at the close of business on such date.

cipal amount of the Outstanding Bonds to waive such default and prescribe limitations on such rights of waiver; and

(e) To cure any ambiguity or to correct or supplement any provision contained in the Mortgage which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Mortgage which shall not be inconsistent with the provisions of the Mortgage and which shall not adversely affect the interest of the Bondholders.

The Trustee is hereby authorized to join with the Railroad Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which, in its opinion, affects the Trustee's own rights, duties or immunities under the Mortgage or otherwise.

Any supplemental indenture authorized by the provisions of this Section 1 may be executed by the Railroad Company and the Trustee without the consent of the holders of any of the then Outstanding Bonds, notwithstanding any of the provisions of Section 2 of this Article XVI.

SECTION 2. With the consent (evidenced as provided in Section 1 of Article X) of the holders of not less than 75% in aggregate principal amount of all Outstanding Bonds, and with the approval of the Interstate Commerce Commission or other public regulatory body having jurisdiction in the premises, the Railroad Company, when authorized by a Resolution, and the Trustee may at any time and from time to time enter into an indenture or indentures supplemental hereto for the purpose of

any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 3. Upon the request of the Railroad Company, accompanied by a Resolution authorizing the execution of any supplemental indenture pursuant to the preceding Sections of this Article XVI, and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall join with the Railroad Company in the execution of such supplemental indenture.

SECTION 4. Upon the execution of any supplemental indenture pursuant to the provisions of this Article XVI, the Mortgage shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under the Mortgage of the Railroad Company, the Trustee and the holders of Bonds of all series outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of the Mortgage for any and all purposes.

SECTION 5. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article XVI may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Railroad Company or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of the Mortgage contained in any such supplemental indenture may be prepared by the Railroad Company, authenticated by the Trustee and deliv-

ARTICLE XVII

MISCELLANEOUS

SECTION 1. The same officer or officers of the Railroad Company, or the same engineer, accountant or counsel or other person, as the case may be, need not certify to all the matters required to be certified under the provisions of any Article or Section of the Mortgage, but different officers, engineers, accountants, counsel or other persons may certify to different matters respectively.

SECTION 2. Each certificate or opinion required to be given with respect to compliance with a specified condition or covenant provided for in the Mortgage shall include: (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (3) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with. The foregoing provisions of this Section 2 shall not apply to any instrument designated in the Mortgage as a "report" or as a "statement" or otherwise than as a "certificate" or "opinion".

SECTION 3. Except as otherwise expressly provided herein, nothing in the Mortgage or in any of the Bonds, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation other than the parties hereto and the holders from time to time of the Bonds issued under the Mortgage any security, right, remedy or claim, legal or equitable, under or by reason of the Mortgage, or under or by reason of any covenant, condition or stipulation herein con-

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STATE OF ILLINOIS } ss:
COUNTY OF COOK }

H. C. GROUT, being first duly sworn, deposes and says that he is President of Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, a corporation organized and existing under the laws of the State of Minnesota, which executed as mortgagor the Indenture of Mortgage and Deed of Trust to which this affidavit is appended, that the consideration of said mortgage was actual and adequate, that the same was given in good faith for the purposes set forth in said mortgage, and that Harris Trust and Savings Bank, the trustee and mortgagee named in said mortgage, has delivered to said Railroad Company, and said Railroad Company has received, a duplicate copy of said mortgage as executed.

H. C. GROUT

Subscribed and sworn to
before me this 8th day
of September, 1944.

WM. T. JENSEN

(NOTARIAL SEAL)

WM. T. JENSEN
Notary Public, Cook County, Illinois
My Commission Expires September 5, 1945.

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 18th day of
Sept. A. D. 1944 at 9
o'clock A.M. and recorded in Vol.
38 of Railroad Mtgs.
on pages 147-152.
Robert C. Zimmerman
Assistant Secretary of State

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STATE OF ILLINOIS } ss.
COUNTY OF COOK }

On this 8th day of September, in the year 1944, before me, a Notary Public in and for the County of Cook and State of Illinois, personally appeared H. C. GROUT and P. J. STOCK, to me personally known and known to me to be the President and Secretary, respectively, of the Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, a corporation duly organized and existing under the laws of the State of Minnesota, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of said Minneapolis, St. Paul & Sault Ste. Marie Railroad Company; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was executed on behalf of said corporation by authority of its Board of Directors; and said H. C. GROUT and P. J. STOCK acknowledged that they signed, sealed and delivered said instrument on behalf of said corporation as their free and voluntary act and deed as such President and Secretary, respectively, and acknowledged the instrument to be the free and voluntary act and deed of said Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, as party of the first part to said instrument, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial Seal, this 8th day of September, 1944.

WM. T. JENSEN

(NOTARIAL SEAL)

WM. T. JENSEN
Notary Public, Cook County, Illinois
My Commission Expires September 5, 1945.

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Article XVII
Sections 3, 4, 5 and 6

tained; and the Mortgage and all covenants, conditions and provisions herein contained are and shall be held to be for the sole and exclusive benefit of the parties hereto and the holders from time to time of the Bonds and coupons issued hereunder.

SECTION 4. The Railroad Company shall be entitled to obtain from the Trustee from time to time such certificates and statements of the latter as to matters related to the Mortgage which are within its knowledge as the Railroad Company shall find it necessary or advisable to file with the Trustee of the First Mortgage for any of the purposes thereof.

SECTION 5. The Mortgage may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6. The Mortgage is dated as of January 1, 1944, although executed and delivered on the date of the acknowledgment hereof by the Trustee; and the same shall be effective as of 12:01 A. M., Central Standard Time, on September 1, 1944.

IN WITNESS WHEREOF, MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY, the party of the first part, has caused the Mortgage to be signed and acknowledged by its President or one of its Vice Presidents, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or its Assistant Secretary; and HARRIS TRUST AND SAVINGS BANK, the party of the second part, to evidence its acceptance of the trust hereby created, has caused the Mortgage to be signed and acknowledged by one of its Vice Presidents, and its corporate seal to be affixed hereunto, and the same to be attested by one of its Assistant Secretaries. Exe-

Counterpart No. 5 of 20.

INDEXED

$6.75

CONDITIONAL SALE AGREEMENT

BETWEEN

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)
AND

GREAT NORTHERN RAILWAY COMPANY

DATED DECEMBER 1, 1944

- - - - - - - - - - - -

THIS AGREEMENT, dated as of December 1, 1944, by and between General Motors Corporation, a corporation of the State of Delaware (Electro-Motive Division), with its principal office and place of business in the Village of McCook, post office address, LaGrange, Illinois (hereinafter called the "Seller"), as party of the first part; and the Great Northern Railway Company, a corporation of the State of Minnesota (hereinafter called the "Buyer"), party of the second part;

Witnesseth, That:

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

(1) Construction, Sale, Delivery and Purchase Price.

The Seller has constructed, delivered and agreed to sell to Buyer and the Buyer has agreed to buy, accept delivery thereof and pay therefor, as hereinafter set forth, the following described railroad equipment (hereinafter sometimes referred to as "equipment" or as "locomotives"):

Four (4) new 5400 horsepower, 435-ton Diesel Road Freight Locomotives, as described in and warranted by the Seller's Specification #606-D, dated December 19, 1942, and Supplement #1, dated October 27, 1943, and bearing Seller's and Buyer's numbers as set forth below:

Order of Delivery	"A" Section Seller's No.	"A" Section Buyer's No.	"B" Section Seller's No.	"B" Section Buyer's No.	"B" Section Seller's No.	"B" Section Buyer's No.	"A" Section Seller's No.	"A" Section Buyer's No.
(10)	1944	418A	1958	418B	1959	418C	1945	418D
(11)	1946	420A	1960	420B	1961	420C	1947	420D
(12)	1948	422A	1962	422B	1963	422C	1949	422D
(13)	1950	424A	1964	424B	1965	424C	1951	424D

The said locomotives being the tenth, eleventh, twelfth and thirteenth locomotives mentioned in a basic conditional sale agreement for thirteen (13) Diesel Road Freight Locomotives executed between the parties hereto and dated November 24, 1943. Copies of said specification and supplement have been furnished to the Buyer and are, by reference, made a part of this agreement as fully as though expressly set forth herein.

The purchase price of each of said locomotives shall be the principal amount of Five Hundred Thousand Four Hundred Seventy-nine and 46/100 Dollars ($500,479.46) f.o.b. Buyer's tracks at Fridley, Minnesota. Interest shall be paid at the rate of One and 47/100 per cent (1.47%) per annum upon unpaid balances of said principal amounts at the times and in the manner specified in paragraph 2 of this agreement.

(2) Payment of Purchase Price. The Buyer hereby promises to pay to the Seller, or the assignee thereof, at such place as may be designated by the Seller or its assignee, the following amounts:

Commencing on the first day of the first calendar month following the date hereof, and on the first day of each of the next succeeding fifty-nine (59) calendar months until all unpaid principal purchase price and interest on all unpaid principal purchase price shall have been paid, the amount of Thirty-three Thousand Three Hundred Sixty-five and 30/100 Dollars ($33,365.30), together with interest then accrued and unpaid from the date hereof upon all unpaid balances of said purchase price at the rate above specified, excepting only that the final monthly payment of principal and interest shall be such as

and of the equipment.

cuted and delivered in the City of Chicago, State of Illinois, the 8th day of September, 1944, as of the day and year first written above.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY

By H. C. GROUT
President

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE { CORPORATE SEAL } RAILROAD COMPANY

Attest:

P. J. STOCK
Secretary

IN THE PRESENCE OF

RAY GARRETT
WILLARD P. SCOTT

HARRIS TRUST AND SAVINGS BANK

By CHARLES J. ROUBIK
Vice President

HARRIS TRUST AND SAVINGS BANK { Organized as N. W. Harris & Co. 1882 Incorporated 1907 } CHICAGO

Attest:

R. BLACKBURN
Assistant Secretary

IN THE PRESENCE OF

GLADYS HANSEN
LOUIS CHRISTIN

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

On this 8th day of September, in the year 1944, before me, a Notary Public in and for the County of Cook, in the State of Illinois, personally appeared CHARLES J. ROUBIK and R. BLACKBURN, to me personally known and known to me to be a Vice President and an Assistant Secretary, respectively, of Harris Trust and Savings Bank, a corporation duly organized and existing under the laws of the State of Illinois, who, being by me duly sworn, did say that they are a Vice President and an Assistant Secretary, respectively, of said Harris Trust and Savings Bank; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was executed on behalf of said corporation by authority of its Board of Directors; and said CHARLES J. ROUBIK and R. BLACKBURN acknowledged that they signed, sealed and delivered said instrument on behalf of said corporation as their free and voluntary act and deed as such Vice President and Assistant Secretary, respectively, and acknowledged said instrument to be the free and voluntary act and deed of said Harris Trust and Savings Bank as party of the second part to said instrument, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, this 8th day of September, 1944.

GUY H. STRAFER

(NOTARIAL SEAL)

GUY H. STRAFER
Notary Public, Cook County, Illinois
My Commission Expires January 25, 1945.

to extinguish the debt then remaining after application of all previous payments credited thereto.

Any monthly payment or payments, at the option of the Buyer, may be paid in advance of maturity on any payment date, but only in the inverse order of maturity.

The Buyer further covenants and agrees to pay interest at the highest rate permitted by law, but not to exceed the rate of six per cent (6%) per annum upon all amounts of principal remaining unpaid after the same become due and payable pursuant to the terms and provisions hereof.

All payments provided for in this agreement shall be made by the Buyer 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.

(3) Title to the Equipment. The Seller expressly covenants that it has delivered said Equipment at Fridley, Minnesota, 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 the Seller in accordance with the provisions hereof.

The Seller shall, and hereby does, retain the full legal title to, and property in, any and all of said equipment until the Buyer shall have made all of the payments, and shall have kept and performed all of the covenants in this agreement provided to be made, kept or performed by the Buyer, notwithstanding the delivery of the equipment to, and the right to the use thereof by the Buyer as herein provided.

The Buyer covenants and agrees that it will cause the equipment to be kept numbered with the proper road numbers and to be kept plainly marked, on metal plates upon both sides of each unit of the equipment covered by this agreement, with the name of Seller or of the Seller's assignee, as the case may be, in letters not less than one inch in height, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyer agrees that it will not place said equipment in operation or exercise any control or dominion over any part thereof until said metal plates so marked have been attached on both sides of each unit of said equipment.

Except as above provided, the Buyer will not allow the name of any person, association, or corporation other than the name of the Buyer to be placed on the equipment or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof.

The Buyer shall replace the equipment or any of it, or any parts thereof, at its own cost, except as otherwise herein provided, if it or any of it shall be lost or destroyed from any cause whatever during the continuance of this agreement, with other equipment of similar type and of substantially as good material or construction as that lost or destroyed, or the Buyer shall promptly pay to the Seller a sum equal to the then unpaid balance applicable to such locomotive or locomotives. The Buyer will cause any such new equipment to be marked as above provided and to be numbered with the same road number as the equipment so replaced. Any and all such replacements of equipment or any of it and of any parts shall constitute accessions to the equipment and shall be subject to all of the terms and conditions of this agreement as though part of the original equipment delivered hereunder, and included in the word "equipment" as used in this agreement. Title to all such new equipment shall be taken initially, and shall remain, in the name of the Seller, subject to the provisions hereof. If the Seller shall not be satisfied that its title to any equipment which the Buyer proposes to use for replacement is and will be paramount to all other claims or rights therein, and if there shall be a reasonable doubt thereof, the Buyer, instead of replacing such lost or destroyed

equipment as aforesaid, shall pay to the Seller the then unpaid balance of the purchase price properly assignable to such equipment. Future payments of principal shall be reduced in inverse order of maturity by any payments made as provided for in this paragraph.

When and only when the Seller has been paid the full purchase price for all equipment, together with interest and any and all other payments as herein provided, and all of the Buyer's covenants and conditions herein contained have been performed by the Buyer, absolute right to possession of, title to and property in all of the equipment shall pass to and vest in the Buyer without further transfer or action on the part of the Seller, except that the Seller shall, if requested by the Buyer so to do, execute and deliver to the Buyer a bill or bills of sale of all of said equipment, transferring the title to and property in said equipment to the Buyer free and clear of all liens and encumbrances created or retained hereby, and shall execute for record or for filing in public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyer to all of said equipment.

(4) Taxes. All payments to be made by the Buyer hereunder shall be free of expenses to the Seller for collection or other charges, and of the amount of any State or Federal taxes (other than State and Federal Income and Excess Profit taxes) levied or imposed directly upon this agreement and/or any sale, use, payment, shipment or delivery under the terms hereof, all of which expenses and taxes the Buyer assumes and agrees to pay in addition to the above mentioned purchase price of said equipment. The Buyer shall also pay promptly all taxes and assessments which may be imposed upon the equipment or for the use thereof, or upon the earnings arising therefrom or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the equipment is operated by the Buyer, and agrees to keep at all times all and every part of the equipment free and clear of all taxes, assessments, liens and encumbrances. Notwithstanding the foregoing provisions of this paragraph, the Buyer shall not be required to pay any tax, assessment or other governmental charge, the validity of which the Buyer shall contest in good faith, and by appropriate legal proceedings, until such contest shall have been decided, unless, in the judgment of the Seller, its rights and interests in the Equipment may be materially endangered by such delay.

(5) Compliance with Laws, Rules and Regulations. The Buyer covenants that the equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the equipment may be subject. The Buyer further covenants that it will comply in all respects with all acts of Congress and with the laws of the United States and of the States and Territories and all other jurisdictions into which its operations involving the equipment may extend during the term of this agreement, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative, or judicial body exercising any power or jurisdiction over any of the equipment, insofar as such acts, laws, and rules apply to or affect the equipment or the operation thereof, and in the event that said laws or rules require the alteration of any of the equipment, the Buyer agrees to conform therewith, at its expense, and to maintain the same in proper condition for operation under such laws and rules during the life of this agreement; provided, however, that the Buyer may, in good faith, contest in any reasonable manner the application of any such law or rule which does not, in the judgment of Seller, affect the Seller's title in and to the equipment.

(6) Servicing, maintenance and Insurance. Seller will send a competent person to the point of delivery of the locomotives to superintend the placing of the same in working condition. Buyer shall provide each such person, without expense to Seller, with all the necessary labor, materials, locomotive supplies and transportation on lines owned or controlled by Buyer.

The Buyer covenants and agrees that it will at all times after the delivery of such equipment, maintain and keep said equipment in good order and repair, at its expense, and shall bear the risk of, and shall not be released from its obligations hereunder in case of any and all damage, loss, or destruction of said equipment from whatever cause arising.

The Buyer will keep each locomotive insured until fully paid for, by a responsible insurance company, against damage by fire, derailment or collision and not resulting from war, up to an amount equal to eighty per cent (80%) of cost, less depreciation to be accrued at a rate not exceeding six per cent (6%) per year, excepting damage not exceeding two per cent (2%) of the amount of the insurance. All amounts payable under any such policy of insurance, in respect of any such equipment, but not exceeding the unpaid balance of the purchase price of such equipment, shall be payable to and shall be retained by Seller unless and until Buyer shall have made all replacements or payments and all repairs required by paragraph (3) hereof and by this paragraph (6), and any such payments permanently retained by Seller shall correspondingly reduce future payments of principal in inverse order of maturity.

(7) Reports and Inspection. The Buyer hereby agrees to furnish to the Seller, if requested, once in every year as long as this agreement shall be in force, an accurate inventory of the equipment in actual service, the numbers and the description of such equipment as may have been destroyed and replaced by other, and the then location of said equipment.

The Buyer shall promptly and fully inform the Seller of any loss or destruction of any of the equipment.

The Seller shall have the right, but shall be under no obligation, to inspect the equipment at any reasonable time or times during the continuance of this Agreement. The Buyer agrees, in so far as it may legally do so, to supply free transportation over its lines to designated agents of the Seller for the purpose of enabling such agents to reach the point or points where the equipment is in operation for the purpose of inspection and/or assisting and instructing the employes of the Buyer, in the proper operation and maintenance of the equipment.

(8) Use and Location. The Buyer agrees that after the delivery of the equipment and at all times during the continuance of this agreement, said equipment will be kept, maintained and used solely by the Buyer upon the lines of railroad owned and/or operated by it in the States of Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, Oregon and California; provided, however, that upon giving the Seller fifteen (15) days' notice in writing, stating where the equipment is to be transferred and the route to be followed in the transfer, the Buyer may remove said equipment to another jurisdiction or jurisdictions.

(9) Prohibition Against Liens. The Buyer hereby agrees to pay or satisfy and discharge any and all sums claimed by any party by, through, or under the Buyer and its successors or substitutes or assigns which, if unpaid, might become a lien or a charge upon the equipment or any of it, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller

in and to the equipment.

(10) Indemnities and Guaranties. The Buyer hereby covenants and agrees to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims, and demands whatsoever, regardless of the cause thereof, arising on account of the equipment or the use or operation thereof during the life of this agreement. With respect to such losses, damages, injuries, claims and demands, said covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the equipment, as provided in paragraph (3) hereof, or the termination of this agreement in any manner whatsoever.

The Buyer will bear the risk, and shall not be released from its obligations hereunder in the event of any damage to, or the destruction or loss of any or all of the equipment. General Motors Corporation (Electro-Motive Division) and any successor or successors to its manufacturing property and business, notwithstanding such full payment of purchase price and conveyance of the equipment, shall not, as to any of the equipment, be relieved from its guaranty covering material and workmanship set forth in the specifications hereinbefore referred to. General Motors Corporation (Electro-Motive Division), for itself and any successor or successors to its manufacturing property and business, also agrees to save, indemnify and keep harmless the Buyer from and against any and all royalties, damages, claims, suits, judgments, and costs that may arise in the use of any patented article on the equipment at the time of delivery, except with regard to any appliances, devices, or materials specified or required by the Buyer and not manufactured by the Seller.

(11) Assignments by the Seller. The Buyer agrees that the Seller's rights under this agreement may be assigned. The Seller's assignee, or any successive assignee, shall be entitled to all of the rights of the Seller hereunder with respect to the locomotives covered in and by such assignment, subject in any case to the obligations of the Seller; provided, however, and the Buyer hereby agrees, that any assignment by the Seller, or by any assignee, shall not be subject to the obligations of the Seller's warranty, nor indemnity, hereinbefore referred to respecting said locomotives, and that no such assignment shall in any way affect or modify said obligation on the part of the Seller; it being understood and agreed that the rights of any assignee hereunder shall not be subject to any defense, setoff or counterclaim whatsoever arising out of any breach of said obligation, and that said obligation shall be and remain enforcible by the Buyer against and only against the Seller.

In case of assignment of this agreement by the Seller, prompt written notice of such assignment shall be given by the Seller to the Buyer, and the Buyer shall be protected in any payments made hereunder to the Seller prior to notice of such assignment.

In the event of any such sale, transfer, or assignment, or successive sales, transfers, or assignments by the Seller, of title to any of the equipment and of the Seller's rights hereunder in respect thereof, the Buyer shall, whenever requested by such vendee, transferee, or assignee, change the name plates to be attached on both sides of each unit of the equipment so as to indicate title of such vendee, transferee, or assignee to such equipment and its succession to the rights of the Seller hereunder, such plates to bear such words or legend as shall be specified by said vendee, transferee, or assignee, subject to requirements of the laws of the States or other jurisdictions enumerated in paragraph (8) hereof relating to such plates for use on equipment covered by conditional sale agreement. The cost of obtaining and attaching the first series of such substituted plates shall be borne by the Seller. The cost of obtaining and attaching plates in connection with any subsequent assignment shall be borne by such subsequent

vendee, transferee, or assignee.

The term "Seller", whenever used in this agreement, means General Motors Corporation (Electro-Motive Division); provided, however, that, to the extent that the rights or obligations of the Seller hereunder with respect to any locomotive or locomotives subject to the terms of this agreement shall have been assigned to or assumed by any purchaser, the term "Seller" with respect to such rights and obligations shall mean the Purchaser or his assignee or assignees for the time being thereof.

Within one (1) week, or as soon as possible thereafter, upon written request by the Buyer so to do, the Seller will assign and transfer its rights under this agreement and in the locomotives described herein, by an instrument in the form set forth in Exhibit "A" hereto attached, to any purchaser theretofore provided and designated by the Buyer in such written request, and who will pay to Seller an amount equal to the aggregate of the principal sums payable hereunder and then unpaid, and the Buyer shall thereupon pay to the Seller all interest accrued to the date of such assignment and then unpaid. If the Buyer shall not have received all necessary Governmental authority for the execution of the promissory notes referred to in Exhibit "A", paragraphs 6, 7, 8, 9, and Exhibit "X" shall be deleted from Exhibit "A" and the remaining paragraphs thereof shall be re-numbered accordingly.

(12) Successors to, and Assignments by, the Buyer. The Buyer hereby represents and warrants that its execution of this agreement and its assumption and undertaking of the obligations, duties, and liabilities hereof, have been expressly authorized and that all the obligations then existing or to accrue of the Buyer under this agreement, shall be assumed by any person or corporation acquiring title to or possession of the railways and properties of the Buyer, and that upon any sale, lease, transfer, or assignment of said railways or properties, any person or corporation acquiring title thereto or possession thereof shall also, as a condition to such acquisition, be bound by all such obligations.

The Buyer covenants and agrees that it will not sell, assign, transfer, or otherwise dispose of its rights under this agreement, nor transfer possession of said equipment to any other firm, person, or corporation without first obtaining the written consent of the Seller to such sale, assignment or transfer.

The Buyer hereby covenants and agrees that it will not pledge, hypothecate or in any way encumber, or permit the encumbrance of any part or all of said equipment.

The term "Buyer" whenever used in this agreement means, before any assignment of the rights of the Buyer hereunder as hereinbefore provided, Great Northern Railway Company or its successors and after any such assignment shall mean any assignee hereof, except only in so far as the Seller may specifically, in writing, relieve the Buyer or any such assignee from the obligations hereof.

(13) Defaults and Remedies. In the event of default by or on the part of the Buyer in prompt payment of any of the installment payments hereunder, or in the due or proper performance of or compliance with any of the conditions or terms or stipulations provided herein, and that such default is not cured within thirty (30) days after written notice thereof to the Buyer, or in the event that a proceeding in bankruptcy or insolvency be instituted by or against the Buyer or its property and the debtor in reorganization or any trustee or receiver appointed therein fails to adopt and become bound by the terms, provisions and conditions of this agreement within thirty (30) days after such appointment, the Seller shall have the right at its option to declare each and all of said installment payments and all other sums of money payable hereunder to be forthwith due and payable, and the Seller may take immediate possession of said locomotives, including any equipment or parts substituted or added or attached thereto, without demand or further notice and

without process, and for this purpose Seller shall have the right to enter upon the premises wherever said locomotives may be found and remove said locomotives, and to employ any available trackage and similar facilities or means of removing same, or to cause the Buyer to assist in removing same by its delivery thereof to such place or places on its railroad as Seller may reasonably designate for said purpose.

In the event said locomotives are retaken hereunder, the Seller shall be entitled to retain or collect any and all payments theretofore made or payable hereunder by Buyer, and Seller may sell said locomotives at public or private sale, with or without having said locomotives at the place of sale, and upon such reasonable terms and in such manner as the Seller may determine; the Seller may bid at such public sale. The Buyer shall be given written notice of such sale at least ten (10) days prior thereto by telegram or registered mail, addressed to the Buyer at St. Paul, Minnesota. If such sale shall be a private sale, it shall be subject to the right of the Buyer to purchase or provide a purchaser for cash, or upon terms and conditions satisfactory to the Seller, within ten (10) days after notice of the proposed sale price, at the same or a better price as that offered by the intending purchaser. From the proceeds of any such sale the Seller shall deduct all expenses for retaking, repairing and selling said locomotives. The balance thereof shall be applied to the total amount due hereunder; any surplus shall be paid over to the Buyer, and in case of a deficiency, the Buyer shall pay the same with interest.

If before sale, as in this paragraph provided for, all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable by the Buyer hereunder, other than such part of such purchase price as shall have become due only because of a declaration under this paragraph, as aforesaid, shall have been paid by the Buyer, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then and in every such event, the Seller shall waive any such event or events of default.

(14) Applicable State Laws. Any provision of this agreement prohibited by any applicable law of any State, or other jurisdictions, or which by any applicable law of any State or other jurisdictions would convert this agreement into any instrument other than an agreement of conditional sale, shall as to such State or jurisdiction, be ineffective, without modifying the remaining provisions of this agreement. Where, however, the conflicting provisions of any applicable law may be waived they are hereby waived by the Buyer to the full extent permitted by law, to the end that this agreement shall be deemed to be a conditional sale and enforced as such.

(15) Extension Not a Waiver. Any extension of time granted by the Seller to the Buyer for the payment of any sum due under this agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(16) Recording. The Buyer shall cause this agreement to be filed, registered, and/or recorded wherever necessary for the proper protection of the Seller's title and rights to the equipment and any replacement or replacements thereof, and the Buyer shall, from time to time, do and perform any other act, including the execution, acknowledgment, delivery, filing, registering and/or recording of any and all further instruments required by law, or reasonably requested by the Seller, for the purpose of protecting its title and rights, or for the purpose of carrying out the intention of this agreement.

(17) Payment of Expenses. The Buyer shall pay all costs, charges and expenses incident to the preparation, execution, acknowledgment, filing and recording of this agreement and of the first assignment or assignments by the Seller of title to the equipment, and all such costs, charges and expenses in connection with any instrument supplemental hereto or amendatory hereof and of any declaration of the payment in full of the purchase money due hereunder.

(18) Execution of Counterparts. This agreement may be simultaneously executed in two 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 agreement, which shall be sufficiently evidenced by any such original counterpart.

(19) Section Headings. All section, paragraph, or division headings are inserted for convenience only and shall not affect any construction or interpretation of this agreement.

(20) Modification of Agreement. This agreement of conditional sale constitutes the entire agreement between the Buyer and the Seller with respect to the sale of the equipment herein referred to. No variation or modification of this agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by the duly authorized officers of the Seller and Buyer.

(21) Possession and Use of the Equipment by Buyer. So long as the Buyer shall not be in default under this agreement, the Buyer shall be entitled to such possession of the equipment as is incidental to the use thereof upon the lines of railroad aforesaid from and after delivery of the equipment by the Seller to the Buyer, but only upon and subject to all terms and conditions of this agreement.

(22) Law Governing. The terms of this agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, General Motors Corporation (Electro-Motive Division) has caused these presents to be executed and its seal to be affixed by its duly elected and authorized officers pursuant to lawful resolutions; and the Great Northern Railway Company has caused these presents to be executed and its seal to be affixed by its duly authorized officers pursuant to lawful resolutions, all as of the day, month and year first above written.

(CORPORATE SEAL)

GENERAL MOTORS CORPORATION,
(ELECTRO-MOTIVE DIVISION),

By C. R. OSBORN
Vice-President.

ATTEST:

A. D. PEDLAR
Ass't. Secretary.

H. R. DREW
M. H. ABBAS
Witnesses as to execution by
General Motors Corporation
(Electro-Motive Division)

GREAT NORTHERN RAILWAY COMPANY

(CORPORATE SEAL)

By V. P. TURNBURKE
Assistant to the President.

ATTEST:

F. L. PAETZOLD
Secretary.

CLARENCE H. SMITH
C. F. ZIEGAHN
Witnesses as to execution by
Great Northern Railway Company.

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

I, James Sorna, 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 November, A. D. 1944, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division), to the within and foregoing instrument, C. R. Osborn and A. D. Pedlar, each to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division), 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said C. R. Osborn 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 the said C. R. Osborn resides in Hinsdale, State of Illinois, and that the said A. D. Pedlar resides in Western Springs, State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed, sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

JAMES SORNA
Notary Public
My commission expires January 12, 1946.

(NOTARIAL SEAL)

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

I, Howard V. Rhedin, 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 25th day of November, A. D. 1944, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, V. P. Turnburke and F. L. Paetzold, each to me personally known and known to me to be respectively Assistant to the President and Secretary of the Great Northern 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 Assistant to the 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 V. P. Turnburke and F. L. Paetzold, 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 V. P. Turnburke resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul, State of Minnesota; that said V. P. Turnburke is Assistant to the President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Assistant to the President and 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 and that 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 they and each of them signed their names to the foregoing instrument in their respective capacities as Assistant to the 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.

(NOTARIAL SEAL)

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 8th *day of* Dec. *A. D. 1944 at* 9 *o'clock A. M. and recorded in Vol.* 38 *of* RR. Mtgs. *on page* 153-161.
ROBERT C. ZIMMERMAN
Assistant Secretary of State

HOWARD V. RHEDIN
HOWARD V. RHEDIN,
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

INDEXED

(See #4.65)

ASSIGNMENT OF CONDITIONAL SALE CONTRACT OF DECEMBER 1, 1944

BETWEEN

GENERAL MOTORS CORPORATION
(Electro-Motive Division)
AND

GREAT NORTHERN RAILWAY COMPANY

TO

THE NATIONAL BANK OF COMMERCE OF SEATTLE

DATED DECEMBER 1, 1944

- - - - - - - - - - - -

AGREEMENT, dated as of December 1, 1944, between General Motors Corporation, a corporation of the State of Delaware (Electro-Motive Division), hereinafter referred to as the "Manufacturer", party of the first part, and The National Bank of Commerce of Seattle, a National Banking Association, with its principal place of business at Seattle, Washington, hereinafter referred to as the "Bank", party of the second part, and Great Northern Railway Company, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", as party of the third part:

WHEREAS, the Manufacturer and the Railroad have entered into a Conditional Sale Agreement, hereinafter called the "Agreement," dated as of December 1, 1944, covering the following railroad equipment:

"Four (4) new 5400 Horsepower, 435-ton Diesel Road Freight Locomotives, as described in and warranted by the Manufacturer's specification #606-D, dated December 19, 1942, and Supplement #1 dated October 27, 1943, and bearing Manufacturer's and Railroad's numbers as set forth below":

The said locomotives are a portion of 13 locomotives covered by conditional sale agreement between the Manufacturer and the Railroad dated November 24, 1943, and the locomotives above referred to are those designated in said contract of November 24, 1943, as follows:

Order of Delivery	"A" Section Seller's No.	"A" Section Buyer's No.	"B" Section Seller's No.	"B" Section Buyer's No.	"B" Section Seller's No.	"B" Section Buyer's No.	"A" Section Seller's No.	"A" Section Buyer's No.
(10)	1944 - 418A		1958 - 418B		1959 - 418C		1945 - 418D	
(11)	1946 - 420A		1960 - 420B		1961 - 420C		1947 - 420D	
(12)	1948 - 422A		1962 - 422B		1963 - 422C		1949 - 422D	
(13)	1950 - 424A		1964 - 424B		1965 - 424C		1951 - 424D	

Said locomotives are all as more particularly described in said Agreement which provides for a purchase price of Five Hundred Thousand Four Hundred Seventy-nine and 46/100 Dollars ($500,479.46) per locomotive, aggregating Two Million One Thousand Nine Hundred Seventeen and 84/100 Dollars ($2,001,917.84) payable in sixty (60) monthly installments, each for one-sixtieth of the said purchase price, with interest all as therein provided; and

WHEREAS, said equipment has been delivered to, and is now in possession of, the Railroad, title having been retained by the Manufacturer, as provided in said Agreement; and

WHEREAS, the Bank has agreed to purchase the rights of the Manufacturer under said Agreement in and to the said equipment and the payments therefor, as provided in the said Agreement, and the Manufacturer has agreed to assign the same to the Bank;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of Two Million One Thousand Nine Hundred Seventeen and 84/100 Dollars ($2,001,917.84) paid by the Bank to the Manufacturer, at or before the ensealing and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by paragraph (11) of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Seller) thereunder as therein defined without any recourse, however, against the Manufactuter for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with any of the provisions of, the said Agreement, provided, however, that this assignment shall not subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or in respect of its guaranty as defined in said Agreement; it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforcible by the Railroad, its 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 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 its own name or 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 Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract and, according to its terms, binding upon the parties thereto, and that it will secure an opinion of counsel of the Railroad that said Agreement and this Assignment have been or will be recorded in accordance with the provisions of paragraph (16) of said Agreement.

2. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this Assignment; that the same is 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 delivery of the said equipment by the Manufacturer to the Railroad and/or to the Bank; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

3. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any installment of the purchase price, or any part thereof, to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement,

or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

4. The Manufacturer shall, concurrently with this Agreement, deliver to the Bank a certificate executed by an agent theretofore designated by the Railroad for that purpose, stating that the said locomotives, specified by number in such certificate, have been delivered to and accepted on its behalf by such agent. The Railroad has agreed that the execution of such certificate of acceptance shall be conclusive evidence that said locomotives covered thereby conform to specifications and are acceptable to the Railroad in all details. The Manufacturer warrants that there was, at the time of the delivery of each locomotive to the Railroad, plainly, permanently and conspicuously placed and fastened upon each side a metal plate indicating the Manufacturer as Owner, and warrants that promptly upon the consummation of this Agreement there will be plainly, permanently and conspicuously placed, fastened and maintained upon each side, in place of the aforesaid plate, a metal plate bearing the following words:

"The National Bank of Commerce of Seattle,
Washington, Owner,
As Assignee of General Motors Corporation
(Electro-Motive Division), Manufacturer
and Prior Owner."

The Manufacturer agrees to bear the cost and expense of making the first change of plates on each of the locomotives specified in this paragraph (4).

5. The Bank in consideration of the making of this assignment by the Manufacturer and in consideration of the covenants of the Railroad herein set forth, agrees that the rate of interest upon deferred payments provided for in said Agreement upon all principal amounts due under said Agreement, and unpaid at the date of this assignment and becoming payable from and after such date shall be One and 47-100 per cent (1.47%) per annum.

6. The Railroad in consideration of the foregoing covenants of the Bank has delivered to the Bank at the time of the execution of this instrument, its promissory note in the form hereunto attached and marked **Exhibit X** in favor of the Bank, to further evidence, but not in payment of, the indebtedness due from the Railroad under said Agreement and in the full principal amount of said indebtedness, payable at the times and in the amount provided in said Agreement for the payment of said indebtedness, with interest at the rate of 1.47% per annum as above provided for, and has paid to the Manufacturer all interest accrued under the terms of said Agreement up to the date of this assignment. The assignee agrees that all partial payments of the purchase price indebtedness shall correspondingly reduce said indebtedness as evidenced by said Agreement and shall likewise be endorsed upon said note.

7. The Bank hereby accepts the aforementioned note as further evidence, but not in payment, of the Railroad's obligation to pay the purchase price of the equipment so conditionally sold. The Bank agrees that it will not assign or transfer its interest in said Agreement, or in said equipment, without transferring the said promissory note to the same party or parties, and that it will not endorse, transfer nor assign said promissory note without also assigning its interest in said Agreement, including its title

to said equipment, to the same party or parties. The Bank further agrees not to assign its interest in said Agreement or the title to said equipment, unless its assignee shall by the terms of the assignment or otherwise assume and become bound by such of the provisions of said Agreement as an assignee is required to assume and become bound by under the terms of paragraph (11) of said Agreement. The Bank further agrees that it will not endorse or transfer said note or assign its interest in said Agreement or the title to the equipment without requiring of the endorsee, assignee or transferee an agreement similar to that made by the Bank in this paragraph.

8. The Railroad and Bank expressly acknowledge and agree that said note has not been executed, delivered nor accepted in payment of the indebtedness or obligation of the Railroad for the payment of the purchase price of said equipment, but solely as further evidence of said indebtedness. The Railroad and Bank further acknowledge, covenant and agree that neither the execution, delivery nor acceptance of said note shall in any way impair or otherwise affect the title of the Bank in and to said equipment. Said title (subject only to the rights of the Railroad to obtain a transfer thereof in the event of the full payment of the purchase price and performance of other obligations, all as provided in said Agreement) is hereby expressly confirmed and acknowledged.

9. The Railroad hereby represents and warrants that the issuance of said note has been authorized and approved by the Interstate Commerce Commission by order dated November 17, 1944, and by the Executive Committee or the Board of Directors of the Railroad.

10. All rights and obligations hereunder shall be governed by the laws of the State of Washington.

11. This Assignment 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. The Bank agrees to deliver one of such counterparts, or a certified copy thereof to the Railroad.

IN WITNESS WHEREOF, The parties hereto, pursuant to due corporate authority, have caused this Assignment to be executed in their 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 and year first above written.

(CORPORATE SEAL)

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By C. R. OSBORN
Vice-President.

Attest:

A. D. PEDLAR
Assistant Secretary.

Signed, sealed and delivered as to General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. DREW
M. H. ABBAS
Witnesses.

THE NATIONAL BANK OF COMMERCE OF SEATTLE,

By H. WITHERSPOON
Vice President.

(CORPORATE SEAL)

Attest:

C. O. OUSDAHL
Cashier.

Signed, sealed and delivered as to The National Bank of Commerce of Seattle in the presence of:

W. Z. RUR
WALTER F. CLIFT
Witnesses.

GREAT NORTHERN RAILWAY COMPANY,

(CORPORATE SEAL)

By U. P. TURNBURKE
Assistant to the President.

Attest:

F. L. PAETZOLD
Secretary.

Signed, sealed and delivered as to Great Northern Railway Company in the presence of:

CLARENCE H. SMITH
C. F. ZIEGAHN
Witnesses.

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

I, James Storna, 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 November, A.D. 1944, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division), to the within and foregoing instrument, C. R. OSBORN and A. D. PEDLAR, each to me personally known and known to me to be respectively a Vice President and an Assistant Secretary of General MotorsCorporation (Electro-Motive Division), 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said C. R. Osborn 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 the said C. R. OSBORN resides in Hinsdale, State of Illinois, and that the said A. D. PEDLAR resides in Western Springs, State of Illinois, that said C. R. OSBORN is a Vice President and said A. D. PEDLAR is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and which executed the within and foregoing instrument in writing; that they the said Vice President and 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 and that said instrument was signed, sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

(NOTARIAL SEAL)

JAMES SORNA
Notary Public, Cook County, Illinois

My commission expires January 12, 1946

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

I, Howard V. Rhedin, 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 25th day of November, A. D. 1944, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, V. P. Turnburke and F. L. Paetzold, each to me personally known and known to me to be respectively Assistant to the President and Secretary of the Great Northern 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 Assistant to the 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 V. P. Turnburke and F. L. Paetzold, 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 V. P. Turnburke resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul, State of Minnesota; that said V. P. Turnburke is Assistant to the President and saidF. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Assistant to the President and 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 and that 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 they and each of them signed their names to the foregoing instrument in their respective capacities as Assistant to the 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.

(NOTARIAL SEAL)

HOWARD V. RHEDIN
Notary Public, Ramsey County, Minn.

My Commission Expires March 30, 1951.

HOWARD V. RHEDIN,
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

STATE OF WASHINGTON,)
COUNTY OF KING.) SS

I, E. ANDERSON, 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 4th day of Dec., A. D. 1944, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to The National Bank of Commerce of Seattle to the within and foregoing instrument, H. Witherspoon and C. O. Ousdahl, each to me personally known and known to me to be respectively, Vice President and Cashier of The National Bank of Commerce of Seattle, 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said H.Witherspoon and C. O. Ousdahl, 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 H. Witherspoon resides in the City of Seattle, State of Washington, and that the said C. O. Ousdahl resides in the City of Seattle, State of Washington; that said H. Witherspoon is a Vice President and said C. O. Ousdahl is Cashier of The National Bank of Commerce of Seattle, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Cashier 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, 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 Cashier 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 King, State of Washington, this the day and year in this my certificate first above written.

(NOTARIAL SEAL)

E. ANDERSON
Notary Public, King County, State of Washington.

My Commission Expires Feb. 10, 1947.

EXHIBIT "X".

St. Paul, Minn., December 1, 1944.

For Value Received, GREAT NORTHERN RAILWAY COMPANY (hereinafter called the "Railroad"), promises to pay to The National Bank of Commerce of Seattle, at such bank or banks as said The National Bank of Commerce of Seattle, or its successors or assigns, may from time to time designate, in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the principal sum of Two Million One Thousand Nine Hundred Seventeen and 84/100 Dollars ($2,001,917.84) together with interest upon the balance thereof remaining unpaid from time to time at the rate of One and 47/100 per cent (1.47%) per annum, said principal to be payable at the following times, to-wit:

> The sum of Thirty-three Thousand Three Hundred Sixty-five and 30/100 Dollars ($33,365.30) on the 1st day of January, 1945, and on the 1st day of each calendar month thereafter up to and including the 1st day of November, 1949, and the sum of Thirty-three Thousand Three Hundred Sixty-five and 14/100 Dollars ($33,365.14) on the 1st day of December, 1949; and interest then accrued and unpaid at said rate to be payable upon each date upon which installments of principal shall be payable as aforesaid.

This note is given to further evidence, but not in payment of, an indebtedness of the Railroad to said The National Bank of Commerce of Seattle for the unpaid portion of the purchase price of four (4) 5400 horsepower Diesel locomotives purchased by the Railroad from General Motors Corporation (Electro-Motive Division) under a conditional sale agreement dated December 1, 1944, and assigned to the Payee herein, and all payments of principal and interest upon this note shall be applied pro tanto in discharge of said indebtedness.

Any payment to be made under the provisions of this note may be made at the option of the Railroad in advance of maturity on any payment date and in inverse order of maturity.

GREAT NORTHERN RAILWAY COMPANY,

By . . . . . .
Assistant to the President.

Attest: . . . . . Secretary

STATE OF WISCONSIN) SS
DEPARTMENT OF STATE)

Received this 11th day of Dec. A.D. 1944 at 9 o'clock A.M. and recorded in Vol. 38 of R.R.Mtgs.on page 162-167.

ROBERT C. ZIMMERMAN
Assistant Secretary of State.

INDEXED

(Fee $1.00)

SUPPLEMENTAL LEASE OF EQUIPMENT

TO

EQUIPMENT TRUST OF 1942

BETWEEN

FIRST TRUST COMPANY OF SAINT PAUL STATE BANK

AND

NORTHERN PACIFIC RAILWAY COMPANY

DATED DECEMBER 15, 1944

- - - - - - - - - - - - -

NORTHERN PACIFIC RAILWAY EQUIPMENT TRUST OF 1942

SUPPLEMENTAL LEASE OF EQUIPMENT

AGREEMENT dated as of the 15th day of December, 1944, between FIRST TRUST COMPANY OF SAINT PAUL STATE BANK, a corporation duly organized and existing under the laws of the State of Minnesota, (hereinafter called the "Trustee") party of the first part, and NORTHERN PACIFIC RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the "Company"), party of the second part:

WHEREAS, by the terms of a certain lease of railroad equipment dated the sixteenth day of February, 1942, between the parties hereto, the Trustee did lease to the Company the railroad equipment described in the inventory attached to said lease; and

WHEREAS, one Hart selective ballast car numbered 87347, included in the railroad equipment so described, has been destroyed by accident, and the Trustee, at the request of the Company, has purchased from Northwestern Improvement Company, a Delaware corporation, for replacement thereof, two 50-ton capacity, all steel, wood-lined box cars bearing serial Nos. 17930 and 17986, theretofore leased to the Company under the provisions of a certain lease agreement dated January 30, 1941, between the predecessor of said Northwestern Improvement Company and the Company:

NOW THIS AGREEMENT WITNESSETH:

That pursuant to the provisions of paragraph Sixth of said lease of railroad equipment dated the sixteenth day of February, 1942, the Trustee has let and leased, and does hereby let and lease to the Company, said 50-ton capacity, all steel, wood-lined box cars, bearing serial Nos. 17930 and 17986, under and subject to all the terms and conditions of said lease of railroad equipment dated the sixteenth day of February, 1942, and the Company has accepted and does hereby accept delivery and possession of said box cars thereunder:

And the parties hereto do hereby agree that said box cars Nos. 17930 and 17986 shall be deemed a portion of the trust equipment leased by the Trustee to the Company under said lease of railroad equipment dated the sixteenth day of February, 1942, in all respects as if the same had been so delivered to the Company simultaneously with the execution and delivery of said lease of railroad equipment, and shall be subject to all the terms and provisions of said lease and subject to all the terms and conditions of that certain agreement dated February 16, 1942, between Lewis E. Dunn and George M. Brack, Vendors, First Trust Company of Saint Paul State Bank, Trustee, and Northern Pacific Railway Company, annexed to and made a part of said lease.

It is understood and agreed that, except as otherwise provided in said lease dated February 16, 1942, the title to and ownership of said box cars Nos. 17930 and 17986 shall be reserved to and remain in the Trustee, notwithstanding the delivery of the same to and the possession and use thereof by the Company.

IN WITNESS WHEREOF, The Trustee and the Company, pursuant to due corporate authority, have caused these presents to be signed and their respective corporate names and their

respective corporate seals to be affixed and attested, as of the day and year first above written.

Attest:

W. E. KUNZE
Asst. Secretary

FIRST TRUST COMPANY OF SAINT PAUL STATE BANK

By LOUIS S. HEADLEY
Vice President

(CORPORATE SEAL)

Signed, sealed and delivered in the presence of:

L. M. O'CONNOR
FRANCES DARTMAN

NORTHERN PACIFIC RAILWAY COMPANY

(CORPORATE SEAL)

By B. W. SCANDRETT
Vice President

Attest:

A. W. GOTTSCHALD
Secretary

Signed, sealed and delivered in the presence of:

N. A. STEINER
HUGH McLEOD

- - - - - - - - - -

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

On this 23rd day of December in the year 1944, before me LORRAINE M. O'CONNOR, a notary public, personally appeared LOUIS S. HEADLEY, to me known to be the Vice President of the First Trust Company of Saint Paul State Bank, one of the corporations which executed the foregoing instrument, and who being duly sworn did say, 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 the said LOUIS S. HEADLEY 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, at my office, in the City of St. Paul, the day and year last aforesaid.

LORRAINE M. O'CONNOR

(NOTARIAL SEAL)

LORRAINE M. O'CONNOR
Notary Public, Ramsey County, Minn.
My Commission expires Aug. 12, 1950.

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

On this 20th day of December in the year 1944, before me, C. B. Theits, a notary public, personally appeared B. W. Scandrett, to me known to be the Vice President of the Northern Pacific Railway Company, one of the corporations which executed the foregoing instrument, and who being duly sworn did say, 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 the said B. W. Scandrett 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, at my office, in the City of St. Paul, the day and year last aforesaid.

(NOTARIAL SEAL)

C. B. THEITS

C. B. THEITS, Notary Public, Ramsey Co., Minn.
My Commission Expires January 24, 1951.

State of Wisconsin)
DEPARTMENT OF STATE) ss

Received this 29th *day of* Dec. *A. D.* 1944 *at* 9 *o'clock A.M. and recorded in Vol.* 38 *of* R.R. Mtgs. *on page* 168-169.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

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INDEXED

Counterpart No. 6 of 275

(Fee $ 9.25)

FIRST SUPPLEMENTAL INDENTURE

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

TO

THE FIRST NATIONAL BANK OF CHICAGO, TRUSTEE

DATED JANUARY 1, 1945

Creating an Issue of First Mortgage Bonds, Series B, 3%, due January 1, 1989

Supplementing and Amending Indenture of Mortgage and Deed of Trust, Dated as of January 1, 1939

- - - - - - - - - - -

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of the first day of January in the year one thousand nine hundred and forty-five, between CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Wisconsin (hereinafter called the "Railway Company"), party of the first part, and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association organized and existing under and by virtue of the laws of the United States of America, having its principal office at 38 South Dearborn Street, in the City of Chicago, State of Illinois, as Trustee under the Indenture of Mortgage and Deed of Trust hereinafter mentioned (hereinafter called the "Trustee"), party of the second part,

W I T N E S S E T H:

WHEREAS, the Railway Company has executed and delivered to the Trustee an Indenture of Mortgage and Deed of Trust (hereinafter called the "Mortgage"), dated as of January 1, 1939, to secure the Railway Company's Bonds, unlimited in aggregate principal amount except as therein otherwise provided; and

WHEREAS, the Railway Company desires to make provision to refund and retire $47,979,442 principal amount of its First and General Mortgage Bonds, Series A, 4%, due January 1, 1989, heretofore authenticated and delivered under the Mortgage, being all of the Bonds outstanding thereunder, and also desires to make provision to refund and retire $3,904,000 principal amount of its First Mortgage, Sioux City & Pacific Divisional 4% Bonds, due January 1, 1969, being all of the Bonds outstanding under its Divisional First Mortgage and Deed of Trust to The New York Trust Company, Trustee, dated as of January 1, 1939, and to cause said Divisional First Mortgage to be duly satisfied and discharged of record, and also desires to make provision to refund and retire $2,481,000 principal amount of First Mortgage, Des Plaines Valley Divisional 4% Bonds, due January 1, 1969, being all of the Bonds outstanding under its Divisional First Mortgage and Deed of Trust to Guaranty Trust Company of New York, Trustee, dated as of January 1, 1939, and to cause said Divisional First Mortgage to be duly satisfied and discharged of record; and

WHEREAS, the Railway Company, to such end, desires in and by this First Supplemental Indenture to amend the Mortgage, to create a new series of Bonds to be issued under the Mortgage, to designate or otherwise distinguish such series, specify particulars necessary to describe and define the same, and specify such other provisions and agreements in respect thereof as are in said Mortgage required or permitted; and

WHEREAS, all the conditions and requirements necessary to make this First Supplemental Indenture, when duly executed, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this First Supplemental Indenture in the form and with the terms hereof have in all respects been duly authorized by resolution of the Board of Directors of the Railway Company;

NOW, THEREFORE, in consideration of the premises and in further consideration of the sum of One Dollar in lawful money of the United States, paid to the Railway Company by the Trustee at or before the execution and delivery of this First Supplemental Indenture,

the receipt whereof is hereby acknowledged, and of other good and valuable considerations, it is agreed by and between the Railway Company and the Trustee as follows:

ARTICLE I

AMENDMENT OF MORTGAGE

The first paragraph of Section 1 of Article II of the Mortgage is hereby amended to read as follows:

"Section 1. The Bonds shall be designated generally as the Railway Company's 'First Mortgage Bonds' and may be issued in one or more series as from time to time shall be authorized by the Board of Directors."

ARTICLE II

FIRST MORTGAGE BONDS, SERIES B, 3%,

DUE JANUARY 1, 1989

Section 1. There is hereby created a series of Bonds of the Railway Company (hereinafter sometimes called "Bonds of Series B") to be issued under and secured by the Mortgage. The Bonds of Series B (a) shall be designated "First Mortgage Bonds, Series B, 3%, due January 1, 1989"; (b) shall be dated January 1, 1945 (except that registered Bonds without coupons authenticated prior to July 1, 1945 shall be dated January 1, 1945, and all registered Bonds without coupons thereafter authenticated shall be dated as of the first day following the close of the latest period for which interest on Bonds of Series B shall have been paid or made available for payment); (c) shall mature January 1, 1989; (d) shall bear interest at the rate of 3% per annum from and including January 1, 1945 (except that registered Bonds without coupons shall bear interest from and including the date thereof) until payment of the principal thereof, which interest shall be payable semi-annually on July 1, 1945, and on January 1 and July 1 of each subsequent year until the principal has been paid; (e) shall be payable, both as to principal and interest, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; (f) shall be issuable in the form of coupon Bonds in the denomination of $1,000, and in the form of registered Bonds without coupons in denominations of $1,000, $5,000 and $10,000, and in multiples of $10,000 authorized by the board of directors, the coupon Bonds to be registerable as to principal and the Bonds of the several denominations of either form to be interchangeable, in authorized denominations, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, as provided in Section 4 of Article II of the Mortgage; (g) shall be a closed series limited to the maximum aggregate principal amount of $54,000,000; (h) shall be subject to redemption as provided in Article V of this Supplemental Indenture; and (i) shall be entitled to the benefits of the sinking fund payments provided for in Article IV of this Supplemental Indenture.

Section 2. The Bonds of Series B and the interest coupons to be attached to the coupon Bonds of Series B are to be substantially in the following forms, respectively:

(Form of Coupon Bond of Series B)

No. $1,000

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

FIRST MORTGAGE BOND

SERIES B, 3%, DUE JANUARY 1,1989

CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation of the State of Wisconsin having its principal office in the City of Chicago, State of Illinois (herein referred to as the "Railway Company"), for value received, hereby promises to pay to bearer or, if

this Bond be registered as to principal, then to the registered holder hereof, on January 1, 1989, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, the principal sum of One Thousand Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; and to pay interest on said principal sum at the rate of three per cent (3%) per annum (at said office or agency) in like coin or currency, from and including January 1, 1945, until the payment of said principal sum, semi-annually on January 1 and July 1, but until the maturity of this Bond interest hereon shall be payable only upon presentation and surrender of the appropriate coupons therefor, hereto attached, as they severally mature.

This Bond is one of a duly authorized issue of First Mortgage Bonds of the Railway Company (herein referred to as the "Bonds"), not limited in aggregate principal amount except as provided in the Mortgage hereinafter referred to, issued and to be issued under, and all equally and ratably secured by, a mortgage and deed of trust dated as of January 1, 1939 (herein referred to as the "Mortgage"), duly executed and delivered by the Railway Company to The First National Bank of Chicago, Trustee (hereinafter, together with its successors in trust, referred to as the "Trustee"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged, the nature and extent of the security, the rights of, and restrictions upon, the Railway Company and the holders of the Bonds and coupons in respect of the security under the Mortgage, the rights, duties and immunities of the Trustee and the terms and conditions under which the Bonds are, and may be, issued and secured. The Bonds may be for various principal sums and are issuable in series, which different series may mature at different times, may bear interest at different rates, and may otherwise vary as in the Mortgage provided. This Bond is one of the Bonds of Series B, a closed series designated as "First Mortgage Bonds, Series B, 3%, due January 1, 1989," and originally authorized to be issued in the maximum principal amount of $54,000,000.

If an event of default as defined in the Mortgage shall occur, the principal of this Bond may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Mortgage.

The Mortgage contains provisions permitting the Railway Company and the Trustee, with the consent of the holders of not less than 66 2/3% in principal amount of all the Bonds at the time outstanding (as defined in the Mortgage) which are affected thereby, evidenced as in the Mortgage provided, to modify, alter, add to or eliminate in any manner any of the provisions of the Mortgage (or any indenture supplemental thereto), or any provisions as to the lien thereof, and to modify, alter, add to, eliminate or compromise the rights of the holders of the Bonds and coupons and the rights and obligations of the Railway Company, all by general plan or otherwise; provided, however, that no such action shall, without the consent of the holder of any Bond, (i) extend the fixed maturity thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or change the place of payment of principal thereof or interest thereon or the medium of payment thereof, or (ii) permit the Railway to create, otherwise than as permitted by the Mortgage, any mortgage or other lien ranking prior to or on a parity with the lien of the Mortgage or of any indenture supplemental thereto, with respect to any property covered thereby, which shall be effective as against such holder. Any such consent of the holder of this Bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this Bond whether or not any notation of such consent is made upon this Bond.

No reference herein to the Mortgage and no provision of this Bond or of the Mortgage shall alter or impair the obligation of the Railway Company, which is absolute and unconunconditional, to pay the principal of and interest on this Bond at the time and place, and at the rate and in the currency herein prescribed.

The Bonds of Series B are entitled to the benefits of sinking fund payments out of Available Net Income, if any, as defined and to the extent applicable for the purpose under the terms of the Mortgage, as supplemented. Said payments may not exceed, for any year, one-half of one per cent. (1/2 of 1%) of the aggregate principal amount of Bonds of Series B originally authorized to be issued as aforesaid. Said payments are not cumulative.

The Bonds of Series B are subject to redemption, prior to maturity, as a whole or from time to time in part, on any interest payment date selected as a redemption date, for the purposes of said sinking fund or certain contingent debt retirement requirements of the Mortgage, or at the option of the Railway Company, in each case upon publication once each week, for four successive weeks, of notice of such redemption in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, Illinois, the first publication to be not less than sixty days and not more than ninety days before such redemption date, all as provided in the Mortgage, at a redemption price for each Bond so redeemed equal to the principal amount thereof, plus accrued interest thereon to the date of redemption, and, in case of redemption prior to January 1, 1986, plus a premium equal to a percentage of the principal amount of each such Bond as specified in the following table:

Redemption During the Years-	Redemption for Debt Retirement Sinking Fund or at the Option of the Railway Company-	Redemption for Series B Sinking Fund-
1945 to 1949 incl.	5 %	2 %
1950 " 1953 "	4 1/2%	1 3/4%
1954 " 1957 "	4 %	1 5/8%
1958 " 1961 "	3 1/2%	1 3/8%
1962 " 1965 "	3 %	1 1/4%
1966 " 1969 "	2 1/2%	1 %
1970 " 1973 "	2 %	3/4%
1974 " 1977 "	1 1/2%	5/8%
1978 " 1981 "	1 %	3/8%
1982 " 1985 "	1/2%	1/4%

This Bond is transferable by delivery unless registered as to principal. This Bond may be registered as to principal at the office or agency of the Railway Company in said Borough of Manhattan, such registration being noted hereon, after which no transfer hereof shall be valid unless made at said office or agency by the registered holder or by his attorney duly authorized in writing and similarly noted hereon; but this Bond may be discharged from such registration by like transfer to bearer noted hereon, whereupon transferability by delivery shall be restored. Such registration, however, shall not affect the transferability by delivery of the coupons for the interest hereon, and such coupons shall continue to be payable to bearer and transferable by delivery.

The Railway Company, the Trustee, any paying agent and any bond registrar may deem and treat the bearer hereof, or, if this Bond be registered as to principal, the registered holder hereof, and the bearer of any interest coupon appertaining thereto, whether or not this Bond shall be registered as to principal, as the absolute owner of this Bond or such coupon, as the case may be (whether or not this Bond or such coupon shall be overdue), for the purpose of receiving any payment then being made of or on account of the principal hereof, premium (if any), or interest hereon, and for all other purposes, and neither the Railway Company nor the Trustee nor any paying agent nor any bond registrar shall be affected by any notice to the contrary.

The coupon Bonds of Series B are issuable in the denomination of $1,000 only. The registered Bonds without coupons of Series B are issuable in denominations of $1,000, $5,000 and $10,000, and any multiple of $10,000 authorized by the Board of Directors of the Railway Company. At the office or agency to be maintained by the Railway Company in said Borough of Manhattan, and in the manner, subject to the limitations, and upon payment of the charges provided in the Mortgage, coupon Bonds of such series, with all unmatured coupons and any matured coupons in default thereto appertaining, may be exchanged for a like aggregate principal amount of registered Bonds without coupons of such series of authorized denominations, and registered Bonds without coupons of such series may be exchanged for a like aggregate principal amount of coupon Bonds of such series of the authorized denomination bearing all unmatured coupons and any matured coupons in default, or for a like aggregate principal amount of registered Bonds of such series without coupons of other authorized denominations.

As provided in the Mortgage, no recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, or because of the creation of the indebtedness represented hereby or otherwise in respect hereof, or based on or in respect of the Mortgage or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, as such, 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.

Neither this Bond nor any interest coupon appertaining hereto shall be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, Chicago and North Western Railway Company has caused this Bond to be signed by its President or one of its Vice Presidents, and its corporate seal to be affixed hereto, duly attested by its Secretary or one of its Assistant Secretaries, and coupons for interest, bearing the facsimile signature of its Treasurer, to be attached hereto.

Dated as of January 1, 1945.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

By . . . . . .
Vice President

Attest:

. . . . . .
Assistant Secretary

(Form of Coupon for Bonds of Series B)

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

On the 1st day of . . . . . ., unless the Bond hereinafter mentioned shall have been called for previous redemption and payment thereof duly provided for, Chicago and North Western Railway Company will pay to bearer at its office or agency in the Borough of Manhattan, City and State of New York, upon surrender of this coupon Fifteen Dollars ($15.00) in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, being six months' interest then payable on its First Mortgage Bond, Series B, 3%, due January 1, 1989,

No. . . . . .

. . . . . .
Treasurer.

(Form of Registered Bond Without Coupons of Series B)

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

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
FIRST MORTGAGE BOND
SERIES B, 3%, DUE JANUARY 1, 1989

CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation of the State of Wisconsin, having its principal office in the City of Chicago, State of Illinois (herein referred to as the "Railway Company"), for value received, hereby promises to pay to . . . ., or registered assigns, on January 1, 1989, at the office or agency of the Railway Company in the Borough of Manhattan, City and State of New York, the principal sum of .. . . . . Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; and to pay interest on said principal sum at the rate of three per cent (3%) per annum (at said office or agency) in like coin or currency from and including the date hereof until the payment of said principal sum semi-annually on January 1 and July 1.

This Bond is one of a duly authorized issue of First Mortgage Bonds of the Railway Company (herein referred to as the "Bonds"), not limited in aggregate principal amount except as provided in the Mortgage hereinafter referred to, issued and to be issued under, and all equally and ratably secured by, a mortgage and deed of trust dated as of January 1, 1939 (herein referred to as the "Mortgage"), duly executed and delivered by the Railway Company to The First National Bank of Chicago, Trustee (hereinafter, together with its successors in trust, referred to as the "Trustee"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged, the nature and extent of the security, the rights of, and restrictions upon, the Railway Company and the holders of the Bonds and coupons in respect of the security under the Mortgage, the rights, duties and immunities of the Trustee and the terms and conditions under which the Bonds are, and may be, issued and secured. The Bonds may be for various principal sums and are issuable in series, which different series may mature at different times, may bear interest at different rates, and may otherwise vary as in the Mortgage provided. This Bond is one of the Bonds of Series B, a closed series designated as "First Mortgage Bonds, Series B, 3%, due January 1, 1989", and originally authorized to be issued in the maximum principal amount of $54,000,000.

If an event of default as defined in the Mortgage shall occur, the principal of this Bond may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Mortgage.

The Mortgage contains provisions permitting the Railway Company and the Trustee, with the consent of the holders of not less than 66 2/3% in principal amount of all the Bonds at the time outstanding (as defined in the Mortgage) which are affected thereby, evidenced as in the Mortgage provided, to modify, alter, add to or eliminate in any manner any of the provisions of the Mortgage (or any indenture supplemental thereto), or any provisions as to the lien thereof, and to modify, alter, add to, eliminate or compromise the rights of the holders of the Bonds and coupons and the rights and obligations of the Railway Company, all by general plan or otherwise; provided, however, that no such action shall, without the consent of the holder of any Bond, (i) extend the fixed maturity thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, or change the place of payment of principal thereof, or interest thereon, or the medium of payment thereof, or (ii) permit the Railway Company to create, otherwise than as permitted by the Mortgage, any mortgage or other lien ranking prior to or on a parity with the lien of the Mortgage or of any indenture supplemental thereto, with respect to any property covered thereby, which shall be effective as against such holder. Any such consent of the holder of this Bond

(unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this Bond whether or not any notation of such consent is made upon this Bond.

No reference herein to the Mortgage and no provision of this Bond or of the Mortgage shall alter or impair the obligation of the Railway Company, which is absolute and unconditional, to pay the principal of and interest on this Bond at the time and place, and at the rate and in the currency herein prescribed.

The Bonds of Series B are entitled to the benefits of sinking fund payments out of Available Net Income, if any, as defined and to the extent applicable for the purpose under the terms of the Mortgage, as supplemented. Said payments may not exceed, for any year, one-half of one per cent (½ of 1%) of the aggregate principal amount of Bonds of Series B originally authorized to be issued as aforesaid. Said payments are not cumulative.

The Bonds of Series B are subject to redemption, prior to maturity, as a whole or from time to time in part, on any interest payment date selected as a redemption date, for the purposes of said sinking fund or certain contingent debt retirement requirements of the Mortgage, or at the option of the Railway Company, in each case upon publication once each week, for four successive weeks, of notice of such redemption in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, and in a like newspaper so published and of general circulation in the City of Chicago, Illinois, the first publication to be not less than sixty days and not more than ninety days before such redemption date, all as provided in the Mortgage, at a redemption price for each Bond so redeemed equal to the principal amount thereof, plus accrued interest thereon to the date of redemption, and, in case of redemption prior to January 1, 1986, plus a premium equal to a percentage of the principal amount of each such Bond as specified in the following table:

Redemption During the Years-	Redemption for Debt Retirement Sinking Fund or at the Option of the Railway Company-	Redemption for Series B Sinking Fund-
1945 to 1949 incl.	5 %	2 %
1950 " 1953 "	4½ %	1 3/4%
1954 " 1957 "	4 %	1 5/8%
1958 " 1961 "	3½ %	1 3/8%
1962 " 1965 "	3 %	1 ¼ %
1966 " 1969 "	2½ %	1 %
1970 " 1973 "	2 %	3/4%
1974 " 1977 "	1½ %	5/8%
1978 " 1981 "	1 %	3/8%
1982 " 1985 "	½ %	1/4%

This Bond is transferable by the registered holder hereof in person, or by his attorney duly authorized in writing, at the office or agency to be maintained by the Railway Company in said Borough of Manhattan, but only in the manner, subject to the limitations, upon payment of the charges provided in the Mortgage, and upon surrender and cancellation of this Bond. Upon any such transfer a new registered Bond or Bonds without coupons of authorized denominations of the same series, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Railway Company, the Trustee, any paying agent and any bond registrar may deem and treat the registered holder hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue), for the purpose of receiving any payment then being made of or on account of the principal hereof, premium (if any), or interest hereon, and for all other purposes, and neither the Railway Company nor the Trustee nor any paying agent nor any bond registrar shall be affected by any notice to the contrary.

The coupon Bonds of Series B are issuable in the denomination of $1,000 only. The registered Bonds without coupons of Series B are issuable in denominations of $1,000,

$5,000 and $10,000, and any multiple of $10,000 authorized by the Board of Directors of the Railway Company. At the office or agency to be maintained by the Railway Company in said Borough of Manhattan, and in the manner, subject to the limitations, and upon payment of the charges provided in the Mortgage, coupon Bond of such series, with all unmatured coupons and any matured coupons in default thereto appertaining, may be exchanged for a like aggregate principal amount of registered Bonds without coupons of such series of authorized denominations, and registered Bonds without coupons of such series may be exchanged for a like aggregate principal amount of coupon Bonds of such series of the authorized denomination bearing all unmatured coupons and any matured coupons in default, or for a like aggregate principal amount of registered Bonds of such series without coupons of other authorized denominations.

As provided in the Mortgage, no recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, or because of the creation of the indebtedness represented hereby or otherwise in respect hereof, or based on or in respect of the Mortgage or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, past, present or future, of the Railway Company or of any successor corporation, as such, 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.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

In Witness Whereof, Chicago and North Western Railway Company has caused this Bond to be signed by its President or one of the Vice Presidents and its corporate seal, duly attested by its Secretary or one of its Assistant Secretaries, to be affixed hereto.

Dated . . . . . .

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

By . . . . . .
Vice President.

Attest:

. . . . . .
Assistant Secretary.

ARTICLE III

Issue of Bonds of Series B

The Bonds of Series B may be executed, authenticated and delivered from time to time as permitted by the provisions of Section 4 of Article III of the Mortgage.

ARTICLE IV

Sinking Fund for Bonds of Series B

Section 1. A sinking fund for the Bonds of Series B is hereby created having a call on Available Net Income as defined in the Mortgage, for the calendar year 1945 and subsequent calendar years, in the order of priority provided by clause (a) of Section 2 of Article V of the Mortgage.

The Railway Company covenants that, as long as any Bonds of Series B shall remain outstanding, it will deposit with the Trustee, on account of said sinking fund on April 1 in each year, beginning in the calendar year 1946, such amount, if any, as may be applicable for purposes of said sinking fund out of Available Net Income for the preceding calendar year under clause (a) of Section 2 of Article V of the Mortgage, up to, but not exceeding 1/2 of 1% of the aggregate principal amount of Bonds of Series B originally authorized to be issued hereunder. There shall be no accumulation of amounts payable under the preceding sentence in case there shall not be applicable Available Net Income for any calendar year sufficient to pay for such calendar year the amount contemplated

by said sentence, in whole or in part.

Section 2. Subject to the right of the Railway Company generally to direct the Trustee as to time, procedure and method, the Trustee shall as promptly as possible after receipt of funds to be deposited pursuant to the preceding Section 1, apply the same to the purchase of Bonds of Series B, either at public or private sale at the lowest price or prices at which, in its sole discretion, it shall deem Bonds of Series B reasonably obtainable, or, if the Trustee shall deem it advisable, by advertising for proposals to sell Bonds of Series B to it for the sinking fund, reserving the right to reject any or all such proposals in whole or in part, and the Trustee may purchase Bonds of Series B at the lowest price or prices asked in such proposals if it deems such purchases advisable; but no Bonds of Series B shall be purchased at public or private sale or in response to proposals, as aforesaid, at a price in excess of the redemption price which would be payable in case of redemption thereof for purposes of such sinking fund at the earliest applicable redemption date.

Section 3. Should a balance of $50,000 or more of such funds remain unapplied pursuant to the preceding Section 2 for a period of 20 days ending on any date which is 70 days prior to any time when Bonds of Series B may be redeemed, then, notwithstanding any directions of the Railway Company under the preceding paragraph, such balance shall be applied by the Trustee to the redemption of Bonds of Series B at the earliest applicable redemption date and at the then applicable redemption price thereof for the purpose of the sinking fund established by this Article IV. The Trustee shall give notice of redemption of such Bonds and take any other necessary action in the name of the Railway Company in accordance with, in the manner and with the effect specified by, the provisions hereof and of the Mortgage governing the redemption of such Bonds, and is hereby irrevocably designated and appointed the agent of the Railway Company for such purpose.

Section 4. The Railway Company covenants that it will pay all expenses and costs (including accrued interest but excluding premium) incident to the purchase or redemption of Bonds of Series B pursuant to this Article IV and if such expenses and costs shall not be paid in the first instance by the Railway Company, that they will be reimbursed by the Railway Company upon demand. All amounts expended in connection with any such purchase or redemption by way of premium over and above principal amount shall be a charge against and payable out of the sinking fund.

Section 5. No Bond of Series B purchased or redeemed pursuant to this Article IV shall be reissuable nor may any Bonds or other obligations of the Railway Company be issued to refund Bonds of Series B so purchased or redeemed. All Bonds of Series B purchased or redeemed pursuant to this Article IV shall be cancelled upon delivery thereof to the Trustee.

Section 6. In lieu of depositing funds with the Trustee hereunder on account of the sinking fund as aforesaid, the Railway Company may deposit any Bonds of Series B theretofore issued and outstanding and reacquired by it, but only at the lower of the cost of such reacquisition (exclusive of accrued interest) or the maximum price (exclusive of accrued interest) which the Trustee would be authorized to pay for Bonds of Series B on a purchase thereof pursuant to this Article IV at the time such Bonds are so deposited. Any such Bonds of Series B so deposited with the Trustee shall be accompanied by a certificate signed by the Treasurer or an Assistant Treasurer of the Railway Company stating that such Bonds have theretofore been duly issued and outstanding and have been reacquired by the Railway Company and stating the prices at which the same were reacquired and that none of the same has theretofore been Bonded, as such term is defined in the Mortgage, and such Bonds shall be deemed for the purposes of the Mortgage to have been retired through operations of such sinking fund.

ARTICLE V

Redemption of Bonds of Series B

Bonds of Series B may be redeemed on any interest date prior to maturity selected as a redemption date as a whole, or from time to time in part, for the purposes of the sinking fund established by Article IV hereof, or for the purposes of the Debt Retirement Sinking Fund provided for in the Mortgage, or at the option of the Company, at a redemption price for each Bond of Series B so redeemed equal to the principal amount thereof plus accrued interest thereon to the date of redemption, and, in case of redemption prior to January 1, 1986, plus a premium equal to a percentage of the principal amount of each such Bond as specified in the following table:

Redemption During the Years	Redemption for Debt Retirement Sinking Fund or at the Option of the Railway Company	Redemption for Series B Sinking Fund
1945 to 1949 incl.	5 %	2 %
1950 " 1953 "	4 1/2%	1 3/4%
1954 " 1957 "	4 %	1 5/8%
1958 " 1961 "	3 1/2%	1 3/8%
1962 " 1965 "	3 %	1 1/4%
1966 " 1969 "	2 1/2%	1 %
1970 " 1973 "	2 %	3/4%
1974 " 1977 "	1 1/2%	5/8%
1978 " 1981 "	1 %	3/8%
1982 " 1985 "	1/2%	1/4%

The redemption of Bonds of Series B in accordance with this Article V shall be governed as to procedure and other matters by applicable provisions of Article IV of the Mortgage, except as otherwise specified in this First Supplemental Indenture.

ARTICLE VI

Special Covenants

The Company covenants that, concurrently with the authentication and delivery of the Series B Bonds, it will surrender for cancellation $7,783,180 principal amount of its First and General Mortgage Bonds, Series A, 4%, due January 1, 1989, and scrip therefor, theretofore recovered by it and at the time held in its treasury. The Company further covenants that all of its First and General Mortgage Bonds, Series A, 4%, due January 1, 1989, and all of its First Mortgage, Sioux City & Pacific Divisional 4% Bonds, due January 1, 1969 and all of its First Mortgage, Des Plaines Valley Divisional 4% Bonds, due January 1, 1969, which shall, at or prior to the time of the authentication and delivery of the Series B Bonds, be or have been surrendered for cancellation, or for redemption of which provision is then made, shall, to the extent that the aggregate principal amount thereof exceeds the $54,000,000 authorized principal amount of Series B Bonds, thereupon cease to be Refundable Obligations for any purpose of the Mortgage.

ARTICLE VII

The Trustee

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental 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 by reason of this First Supplemental Indenture other than as set forth in the Mortgage; and this First Supplemental Indenture is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Mortgage, as fully to all intents as if the same were herein set forth at length.

ARTICLE VIII

Miscellaneous Provisions

Except in so far as herein otherwise expressly provided, all the provisions, terms and conditions of the Mortgage shall be deemed to be incorporated in, and made a part of, this First Supplemental Indenture; and the Mortgage as supplemented by this First Supplemental Indenture, the lien thereof and the security afforded thereby, are in all respects ratified and confirmed; and the Mortgage and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Nothing in this First Supplemental Indenture is intended, or shall be construed, to give to any person or corporation, other than the parties hereto and the holders of bonds issued and to be issued under and secured by the Indenture, any legal or equitable right, remedy or claim under or in respect of this First Supplemental Indenture, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions of this First Supplemental Indenture being intended to be, and being, for the sole and exclusive benefit of the parties hereto and of the holders of bonds issued and to be issued under the Mortgage and secured thereby.

All covenants, promises and agreements in this First Supplemental Indenture contained by or on behalf of the Company shall bind its successors and assigns whether so expressed or not.

This First Supplemental Indenture is dated as of January 1, 1945, although executed and delivered on the date of acknowledgment hereof by the Trustee, and has been executed in a number of counterparts, each of which shall be deemed to be an original and together constitute but one and the same instrument.

In Witness Whereof, Chicago and North Western Railway Company, the party of the first part, has caused this First Supplemental Indenture to be signed and acknowledged by its President or one of its Vice Presidents, thereunto duly authorized, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or one of its Assistant Secretaries, and The First National Bank of Chicago, the party of the second part, has caused this First Supplemental Indenture to be signed and acknowledged by one of its Vice Presidents, thereunto duly authorized, and its corporate seal to be affixed hereunto, and the same to be attested by one of its Assistant Secretaries, all as of the day and year first written above.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

(CORPORATE SEAL)

By BARRET CONWAY
Vice President

Attest:

W. F. WHITE
Assistant Secretary

In the presence of
C. H. SMALL
O. MORGAN

THE FIRST NATIONAL BANK OF CHICAGO

(CORPORATE SEAL)

By ROBERT L. GRINNELL
Vice President

Attest:

E. M. RETTIG
Assistant Secretary

In the presence of
J. WINTERBOTTOM
R. ANGER (?)

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, H. J. DUNHAM, a notary public in and for the County of Cook in the State of Illinois, being a resident in the City of Chicago, County of Cook, and State of Illinois, do hereby certify that on this 5th day of April, in the year 1945, before me, the subscriber, personally appeared BARRET CONWAY and W. F. WHITE a Vice President and an Assistant Secretary, respectively, of the Chicago and North Western Railway Company, a

corporation, and on this same day also appeared before me by its said officers the said Chicago and North Western Railway Company, being known to me to be the corporation whose name is subscribed to the foregoing instrument and which executed the same as the party of the first part; that BARRET CONWAY and W. F. WHITE are personally known to me and are known to me to be a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company and the identical persons whose names are subscribed to the foregoing instrument as Vice President and Assistant Secretary of said corporation; that said BARRET CONWAY and W. F. WHITE then and there severally acknowledged to me that they signed, sealed and delivered the foregoing instrument as a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company and in behalf of said corporation and by order of its Board of Directors, and that they were Vice President and Assistant Secretary, respectively, of said corporation at the time of the execution of said foregoing instrument, and that the seal affixed to said instrument is the corporate seal of the Chicago and North Western Railway 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 BARRET CONWAY and W. F. WHITE then and there further severally acknowledged to me that they executed said instrument as their free and voluntary act and deed as such Vice President and Assistant Secretary, respectively, and as the free and voluntary act and deed of said Chicago and North Western Railway Company, and for the uses and purposes in said instrument set forth.

And at the same time said BARRET CONWAY and W. F. WHITE, being by me severally and duly sworn, did severally depose and say that said BARRET CONWAY resides at 387 Linden Street in Winnetka, State of Illinois, and that said W. F. WHITE resides at 590 Forest Avenue in Glen Ellyn, State of Illinois; that said Chicago and North Western Railway Company is a corporation; that they are and at the time of the execution of the foregoing instrument were a Vice President and an Assistant Secretary, respectively, of said Chicago and North Western Railway Company, the corporation described in and which executed the foregoing instrument; that they knew the seal of said corporation; that they signed and executed the foregoing instrument as Vice President and Assistant Secretary, respectively, of said corporation and in its behalf and by order and authority of its Board of Directors; and that the seal affixed to the said instrument is the corporate seal of said Chicago and North Western Railway 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 to be the corporate seal of the Chicago and North Western Railway Company.

I further certify that said foregoing instrument was subscribed and sworn to before me by the said BARRET CONWAY and W. F. WHITE, the day and year below written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal as notary public for the County of Cook, in the State of Illinois, on said 5th day of April, 1945.

My commission will expire May 29, 1946.

(NOTARIAL SEAL) SIGNED H. J. DUNHAM

STATE OF ILLINOIS)
COUNTY OF COOK)SS

I, W. F. SCHINDLER, a notary public in and for the County of Cook, in the State of Illinois, being a resident in the City of Berwyn, County of Cook, and State of Illinois, do hereby certify that on this 5th day of April, in the year 1945, before me, the subscriber, personally appeared ROBERT L. GRINNELL and E. M. RETTIG, a Vice President and an Assistant Secretary, respectively, of The First National Bank of Chicago, a corporation,

and on this same day also appeared before me by its said officers the said The First National Bank of Chicago, being known to me to be the corporation whose name is subscribed to the foregoing instrument and which executed the same as the party of the second part; that ROBERT L. GRINNELL and E. M. RETTIG are personally known to me and are known to me to be a Vice President and an Assistant Secretary, respectively, of said The First National Bank of Chicago and the identical persons whose names are subscribed to the foregoing instrument as Vice President and Assistant Secretary of said corporation; that said ROBERT L. GRINNELL and E. M. RETTIG then and there severally acknowledged to me that they signed, sealed and delivered the foregoing instrument as a Vice President and an Assistant Secretary, respectively, of said The First National Bank of Chicago and in behalf of said corporation and by order of its Board of Directors, and that they were Vice President and Assistant Secretary, respectively, of said corporation at the time of the execution of said foregoing instrument,and that the seal affixed to said instrument is the corporate seal of The First National Bank of Chicago 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 ROBERT L. GRINNELL and E. M. RETTIG then and there further severally acknowledged to me that they executed said instrument as their free and voluntary act and deed as such Vice President and Assistant Secretary, respectively, and as the free and voluntary act and deed of said The First National Bank of Chicago, and for the uses and purposes in said instrument set forth.

And at the same time said ROBERT L. GRINNELL and E. M. RETTIG, being by me severally and duly sworn, did severally depose and say that said ROBERT L. GRINNELL resides at 1236 Asbury Avenue,in Winnetka, State of Illinois, and that said E. M. RETTIG, resides at 5547 South Kimbark Avenue, Chicago, State of Illinois; that said The First National Bank of Chicago is a corporation; that they are and at the time of the execution of the foregoing instrument were a Vice President and an Assistant Secretary, respectively, of said The First National Bank of Chicago, the corporation described in and which executed the foregoing instrument; that they knew the seal of said corporation; that they signed and executed the foregoing instrument as Vice President and Assistant Secretary, respectively, of said corporation and in its behalf and by order and authority of its Board of Directors; and that the seal affixed to the said instrument is the corporate seal of said The First National Bank of Chicago, 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 to be the corporate seal of The First National Bank of Chicago.

I further certify that said foregoing instrument was subscribed and sworn to before me by the said ROBERT L. GRINNELL and E. M. RETTIG, the day and year below written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal as notary public for the County of Cook, in the State of Illinois, on said 5th day of April, 1945.

(NOTARIAL SEAL)

My commission will expire October 23, 1948.

Signed W. F. SCHINDLER

STATE OF ILLINOIS)
COUNTY OF COOK) SS

BARRET CONWAY, being first duly sworn, deposes and says that he is a Vice President of Chicago and North Western Railway Company, a corporation organized and existing under the laws of the State of Wisconsin, which executed as mortgagor the First Supplemental Indenture to which this affidavit is appended, that the consideration of said First Supplemental Indenture and of the Indenture of Mortgage and Deed of Trust to which it is

supplemental and amendatory was actual and adequate, that the same were given in good faith for the purposes set forth therein, and that The First National Bank of Chicago, the trustee and mortgagee named in said Indenture of Mortgage and Deed of Trust and in said First Supplemental Indenture, has delivered to said Railway Company, and said Railway Company has received, a duplicate copy of each of said instruments as executed.

(NOTARIAL SEAL) BARRET CONWAY

Subscribed and sworn to before me
this 5th day of April, 1945.

H. J. DUNHAM
Notary Public.

My commission will expire May 29, 1946.

State of Wisconsin) ss.
DEPARTMENT OF STATE)

Received this 7th *day of* April *A. D. 1945 at* 9 *o'clock* A. *M. and recorded in Vol.* 38 *of* Railroad Mtgs. *on page* 170-183

FRED R. ZIMMERMAN
Secretary of State

INDEXED

AMENDMENT

to the

ARTICLES OF CONSOLIDATION

of

CHICAGO, SAINT PAUL, MINNEAPOLIS AND OMAHA RAILWAY COMPANY

ADOPTED APRIL 11, 1945 ✓

The following resolution for amending the Articles of Consolidation of Chicago, Saint Paul and Minneapolis Railway Company and The North Wisconsin Railway Company, dated May 25, 1880, by which Chicago, Saint Paul, Minneapolis and Omaha Railway Company was created, was duly offered, pursuant to notice, for action by the stockholders of Chicago, Saint Paul, Minneapolis and Omaha Railway Company at the annual meeting thereof held in the city of Hudson, Wisconsin, on the 11th day of April, 1945:

RESOLVED, By the stockholders of Chicago, Saint Paul, Minneapolis and Omaha Railway Company, that the first sentence of Article First of the Articles of Consolidation of Chicago, Saint Paul and Minneapolis Railway Company and The North Wisconsin Railway Company, dated May 25, 1880, whereby Chicago, Saint Paul, Minneapolis and Omaha Railway Company was created, be and hereby is, in accordance with the provisions of Article Fourteenth of said Articles of Consolidation, amended, so that said first sentence of said Article First will hereafter read and be as follows:

> The number of Directors of the Consolidated Company hereby formed shall be fifteen, unless a different number shall be hereafter duly ordered.

The resolution was duly seconded and a stock vote being taken thereon it was found and reported that 279,260 shares (out of a total of 298,160 shares outstanding) had been voted in favor of adoption of the resolution, as follows:

Name of stockholder	Name of Proxy	Number of Shares Voted		
		Common	Preferred	Total
Chicago and North Western Railway Company	Barret Conway	174,564	104,696	279,260

and that no shares had been voted against it. The resolution was thereupon declared to be duly adopted.

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

R. L. WILLIAMS and BARRET CONWAY, respectively President and Secretary of Chicago, Saint Paul, Minneapolis and Omaha Railway Company, DO HEREBY CERTIFY that the foregoing is a true and correct transcript of the proceedings of the annual meeting of stockholders of Chicago, Saint Paul, Minneapolis and Omaha Railway Company held in the city of Hudson, Wisconsin, on the 11th day of April, 1945, relative to an amendment of the Articles of Consolidation of said Chicago, Saint Paul, Minneapolis and Omaha Railway Company; that the amendment therein stated and contained was duly adopted by the stockholders of said Railway Company on said 11th day of April, 1945, by the votes of 279,260 shares of the capital stock of said Railway Company in favor thereof; that no shares were voted in opposition thereto; that the total number of shares of said Railway Company outstanding on said date was 298,160, and that the foregoing transcript shows the stockholders of said Railway Company present in person or by proxy at said meeting.

IN WITNESS WHEREOF, said R. L. Williams and Barret Conway, President and Secretary, respectively, of said Chicago, Saint Paul, Minneapolis and Omaha Railway Company, have hereunto subscribed their names in certification of the foregoing and have caused the corporate seal of said Railway Company to be hereto affixed this 11th day of April, A. D. 1945.

(CORPORATE SEAL)

R. L. WILLIAMS
President

BARRET CONWAY
Secretary

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 16th day of April, A. D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of Railroad Mtgs. on page 184. ✓

FRED R. ZIMMERMAN
Secretary of State

INDEXED

(Fee $1.50)

SUPPLEMENT

TO

EQUIPMENT LEASE AND AGREEMENT OF MAY 1, 1937

BY AND BETWEEN

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

AND

NORTHERN PACIFIC RAILWAY COMPANY

DATED APRIL 2, 1945 ✓

NORTHERN PACIFIC RAILWAY EQUIPMENT TRUST OF 1937

SUPPLEMENTAL LEASE OF EQUIPMENT

AGREEMENT dated the 2nd day of April, 1945, between THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a corporation duly organized and existing under the laws of the United States of America, (hereinafter called the "Trustee") party of the first part, and NORTHERN PACIFIC RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the "Company"), party of the second part:

WHEREAS, by the terms of a certain lease of railroad equipment dated the first day of May, 1937, between the parties hereto, the Trustee did lease to the Company the railroad equipment described in the inventory attached to said lease; and

WHEREAS, one 50-ton capacity, wood-sheathed, wood-lined box car, bearing serial No. 9749, included in the railroad equipment so described, has been destroyed by accident, and the Trustee, at the request of the Company, has purchased from Northwestern Improvement Company, a Delaware corporation, for replacement thereof, one 50-ton capacity, wood-sheathed, wood-lined box car bearing serial No. 9499, theretofore leased to the Company under the provisions of a certain lease agreement dated September 1, 1937, between said Northwestern Improvement Company and the Company;

NOW THIS AGREEMENT WITNESSETH:

That pursuant to the provisions of paragraph Fourth of said lease of railroad equipment dated the first day of May, 1937, the Trustee has let and leased, and does hereby let and lease to the Company, said 50-ton capacity, wood-sheathed, wood-lined box car, bearing serial No. 9499, under and subject to all the terms and conditions of said lease of railroad equipment dated the first day of May, 1937, and the Company has accepted and does hereby accept delivery and possession of said box car thereunder;

And the parties hereto do hereby agree that said box car No. 9499 shall be deemed a portion of the trust equipment leased by the Trustee to the Company under said lease of railroad equipment dated the first day of May, 1937, in all respects as if the same had been so delivered to the Company simultaneously with the execution and delivery of said lease of railroad equipment, and shall be subject to all the terms and provisions of said lease and subject to all the terms and conditions of that certain agreement dated May 1, 1937, between Northwestern Improvement Company, Vendor, The First National Bank of the City of New York, Trustee, and Northern Pacific Railway Company, annexed to and made a part of said lease.

It is understood and agreed that, except as otherwise provided in said lease dated May 1, 1937, the title to and ownership of said box car No. 9499 shall be reserved to and remain in the Trustee, notwithstanding the delivery of the same to and the possession and use thereof by the Company.

IN WITNESS WHEREOF, the Trustee and the Company, pursuant to due corporate authority, have caused these presents to be signed and their respective corporate names and their respective corporate seals to be affixed and attested, as of the day and year first above written.

(CORPORATE SEAL)

Attest: THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

C. R. BEATTIE
Trust Officer

BY HENRY S. STURGIS
Vice President

Signed, sealed and delivered in the presence of:

R. S. JACKSON
M. BALLS

Attest: NORTHERN PACIFIC RAILWAY COMPANY

A. M. GOTTSCHALD
Secretary

BY B. W. SCANDRETT
Vice President

Signed, sealed and delivered in the presence of:

HUGH McLEOD
SELMA OESTREICH

(CORPORATE SEAL)

State of New York)
County of New York) ss

I, WILLIAM T. LOVELAND, 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 9th day of April,1945, 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, Henry S. Sturgis and C. R. Beattie, each to me personally known and known to me to be respectively a Vice President and Trust Officer of The First National Bank of the City of New York, 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 Trust Officer respectively in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said Henry S. Sturgis and C. R. Beattie 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 Henry S. Sturgis resides in Cedarhurst, L.I., N.Y., and that the said C. R. Beattie resides in Rumson, N.J.; that said Henry S. Sturgis is Vice President and said C. R. Beattie is Trust Officer of The First National Bank of the City of New York, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Henry S. Sturgis and C. R. Beattie 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 Trust Officer 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 acknowledge 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.

(NOTARIAL SEAL)

WILLIAM T. LOVELAND

WILLIAM T. LOVELAND
Notary Public, New York County
N.Y.County Clerk's No. 312,Reg.No. 300-L-6
Commission Expires March 30, 1946

STATE OF MINNESOTA)
COUNTY OF RAMSEY)SS

I, C. B. THEITS, 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 2nd day of April, 1945, 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 the 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 and State of Minnesota, and that the said A.M. Gottschald, resides in the City of St. Paul and State of Minnesota; that said B. W. Scandrett is the Vice President and said A. M. Gottschald is the 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.

C. B. THEITS

(NOTARIAL SEAL)

C. B. THEITS, Notary Public,Ramsey Co.Minn.
My Commission Expires January 24, 1951.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 21st day of April A. D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of Railroad Mtgs. on page 185-187.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

INDEXED

(Fee $1.75)

SUPPLEMENT

TO

EQUIPMENT LEASE AND AGREEMENT OF JULY 15, 1941

BY AND BETWEEN

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

AND

NORTHERN PACIFIC RAILWAY COMPANY

DATED APRIL 2, 1945

. . . . . .

NORTHERN PACIFIC RAILWAY EQUIPMENT TRUST OF 1941
SERIES B

SUPPLEMENTAL LEASE OF EQUIPMENT

AGREEMENT dated as of the 2nd day of April, 1945, between THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a corporation duly organized and existing under the laws of the United States of America, (hereinafter called the "Trustee") party of the first part, and NORTHERN PACIFIC RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter called the "Company"), party of the second part:

WHEREAS, by the terms of a certain lease of railroad equipment dated the fifteenth day of July, 1941, between the parties hereto, the Trustee did lease to the Company the railroad equipment described in the inventory attached to said lease; and

WHEREAS, two 50-ton capacity steel underframe, steel superstructure, steel sheathed box cars, numbered 26681 and 27338, included in the railroad equipment so described, have been ~~so~~ destroyed by accident, and the Trustee, at the request of the Company, has purchased from Northwestern Improvement Company, a Delaware corporation, for replacement thereof, three 50-ton capacity, all steel wood-lined box cars bearing serial Nos. 17949, 17950, and 17980, theretofore leased to the Company under the provisions of a certain lease agreement dated January 30, 1941, between said Northwestern Improvement Company and the Company:

NOW THIS AGREEMENT WITNESSETH:

That pursuant to the provisions of paragraph Sixth of said lease of railroad equipment dated the fifteenth day of July, 1941, the Trustee has let and leased, and does hereby let and lease to the Company, said 50-ton capacity, all steel wood-lined box cars, bearing serial Nos. 17949, 17950, and 17980, under and subject to all the terms and conditions of said lease of railroad equipment dated the fifteenth day of July, 1941, and the Company has accepted and does hereby accept delivery and possession of said box cars thereunder:

And the parties hereto do hereby agree that said box cars Nos. 17949, 17950, and 17980 shall be deemed a portion of the trust equipment leased by the Trustee to the Company under said lease of railroad equipment dated the fifteenth day of July, 1941, in all respects as if the same had been so delivered to the Company simultaneously with the execution and delivery of said lease of railroad equipment, and shall be subject to all the terms and provisions ~~of said lease and subject to all the terms and provisions~~ of said lease and subject to all the terms and conditions of that certain agreement July 15, 1941, between Thomas A. Dooling and Harold Michael, Vendors, The First National Bank of the City of New York, Trustee, and Northern Pacific Railway Company, annexed to and made a part of said lease.

It is understood and agreed that, except as otherwise provided in said lease dated July 15, 1941, the title to and ownership of said box cars Nos. 17949, 17950, and 17980 shall be reserved to and remain in the Trustee, notwithstanding the delivery of the same

to and the possession and use thereof by the Company.

IN WITNESS WHEREOF, The Trustee and the Company, pursuant to due corporate authority, have caused these presents to be signed and their respective corporate names and their respective corporate seals to be affixed and attested, as of the day and year first above written.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

(CORPORATE SEAL)

By HENRY S. STURGIS
VICE PRESIDENT

Attest:

C. R. BEATTIE
Trust Officer

Signed, sealed and delivered
in the presence of:

R. S. JACKSON
M. BALLS

NORTHERN PACIFIC RAILWAY COMPANY

Attest:

By B. W. SCANDRETT
Vice President

A. M. GOTTSCHALD
Secretary

(CORPORATE SEAL)

Signed, sealed and delivered
in the presence of:

HUGH McLEOD
SELMA OESTREICH

- - - - - - - -

State of New York)
County of New York)ss

I, WILLIAM T. LOVELAND, 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 9th day of April, 1945, 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, Henry S. Sturgis and C. R. Beattie, each to me personally known and known to me to be respectively a Vice President and Trust Officer of The First National Bank of the City of New York, 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 Trust Officer respectively in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said Henry S. Sturgis and C. R. Beattie 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 Henry S. Sturgis resides in Cedarhurst, L.I. N.Y., and that the said C. R. Beattie resides in Rumson, N.J.; that said Henry S. Sturgis is Vice President and said C. R. Beattie is Trust Officer of The First National Bank of the City of New York, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Henry S. Sturgis and C. R. Beattie 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 they and each of them signed their names to the foregoing instrument in their respective capacities as Vice President and Trust Officer 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 acknowledge 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 by 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.

(NOTARIAL SEAL)

WILLIAM T. LOVELAND
WILLIAM T. LOVELAND
Notary Public,New York County
N.Y.County Clerk's No. 312,Reg. No.300-L-6
Commission Expires March 30,1946

STATE OF MINNESOTA)
COUNTY OF RAMSEY)SS

I, C. B. THEITS, 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 2nd day of April, 1945, 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 instruments, B. W. Scandrett and A. M. Gottschald, each to me personally known and known to me to be respectively the 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 and State of Minnesota, and that the said A.M.Gottschald, resides in the City of St. Paul and State of Minnesota; that said B. W. Scandrett is the Vice President and said A.M.Gottschald is the 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.

(NOTARIAL SEAL)

C. B. THEITS
C. B. THEITS, Notary Public, Ramsey Co.,Minn.
My Commission Expires January 24, 1951

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 21st day of
April A. D. 1945 at 9
o'clock A. M. and recorded in Vol.
38 of Railroad Mtgs.
on page 188-190
ROBERT C. ZIMMERMAN
Assistant Secretary of State

INDEXED

(Fee $2.25)

BILL OF SALE AND RELEASE

OF

CONDITIONAL SALE CONTRACT SERIAL CONTRACT NO. 1, OF OCTOBER 23, 1939

BY

THE FIRST NATIONAL BANK OF CHICAGO

TO

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

DATED MARCH 15, 1945

.....

BILL OF SALE AND RELEASE

KNOW ALL MEN BY THESE PRESENT: THAT

WHEREAS, Great Northern Equipment Company, seller, and Chicago, Burlington & Quincy Railroad Company, Buyer, entered into a written agreement known as Conditional Sale Contract Serial Contract No. 1, dated as of October 23, 1939, providing for procuring by the said Seller of the Construction, of the railroad equipment hereinafter described at an estimated cost of $2,025,000., which upon completion should be sold and delivered to the said Buyer, and the said Buyer in and by said Contract agreed to pay (a) Ten Per Cent (10%) of the amount of said purchase price upon the date of acceptance of the last unit of said equipment, and (b) the balance in ten (10) consecutive equal semi-annual installments; and

WHEREAS, the Seller did assign its rights in said Conditional Sale Contract to The First National Bank of Chicago by an assignment dated November 23, 1939; and

WHEREAS, it was further provided in said Contract that when the Seller had been paid the full purchase price for all of the equipment, with interest and all other payments as therein provided, and all the Buyer's covenants and conditions therein contained had been performed by the Buyer, title to the property in all of the equipment should pass to and vest in the Buyer without further transfer or act on part of the Seller, except that the Seller shall, if requested by the Buyer to do so, execute and deliver to the Buyer a bill or bills of sale of all of said equipment, transferring the title to the property in said equipment to the Buyer free and clear of all liens and encumbrances whatsoever, and shall execute for record or filing in public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyer to all of said equipment under the laws of any jurisdiction; and

WHEREAS, the Buyer has duly and punctually paid the aggregate purchase price of all said equipment, with interest as provided in said Contract and as modified by letter agreements of July 22, 1940, and July 29, 1940, and by Supplemental Agreement, dated as of May 1, 1941, between The First National Bank of Chicago and Chicago, Burlington & Quincy Railroad Company, and, has made all other payments and has performed all other covenants and conditions contained in the said contract and said supplemental agreement in accordance with the provisions thereof and has requested The First National Bank of Chicago assignee, to make clear upon the public records the title of the Buyer to all of the equipment under the laws of any jurisdiction as provided in the aforesaid Conditional Sale Contract; and

WHEREAS, the said Conditional Sale Contract between Chicago, Burlington & Quincy Railroad Company and Great Northern Equipment Company, dated October 23, 1939, the assignment thereof from Great Northern Equipment Company to The First National Bank of Chicago, dated November 23, 1939, and the Supplemental Agreement, dated as of May 1, 1941, were filed and/or recorded as follows:

Conditional Sale Contract

Office of Secretary of State of	Date	Recording Reference
Colorado	April 18, 1940	
Illinois	April 18, 1940	Railroad Box 241, file No. 1847
Iowa	April 17, 1940	Receipt No. 2552
Kansas	April 17, 1940	Record of Leases No. 11, Page 154, File Box No. 4
Minnesota	April 17, 1940	Book 23, General Railroad Records, Page 1
Missouri	April 15, 1940	Volume XXIV, Page 27 of Contracts and Agreements
Montana	April 16, 1940	Vol. 11 of Mortgages, p.64
Nebraska	April 17, 1940	Book 106, Exhibit #16
South Dakota	April 20, 1940	Vol. 11, Page 167-183 Record Railway Deeds, Mortgages & Leases
Wisconsin	April 15, 1940	Folder C. 532.152 - Doc. #6,Vol.1,p. 8 Railroad Equipment Contracts; Railroad Index Vol.2,p.196.
Wyoming	April 23, 1940	Book #2,Misc.Records,pages 255 and 256

County Office	Date	Recording Reference
Adams County, Colo.	April 15, 1940	Receipt #248952
Boulder " "	April 15, 1940	" #371903
Denver " "	April 20, 1940	" #570916
Jefferson " "	April 17, 1940	" #7124
Logan " "	April 15, 1940	" #288562
Morgan " "	April 17, 1940	" #279209
Phillips " "	April 17, 1940	" #118323
Sedgwick " "	April 18, 1940	" #96648
Washington" "	April 18, 1940	" #536155
Weld " "	April 16, 1940	" #842201
Yuma " "	April 19, 1940	Receiption Book #261781
Ramsey " Minn.	April 23, 1940	Book 188 Miscellaneous,p.495
Big Horn " Mont.	April 23, 1940	Book 22A Mortgages, p.1-36
Carbon " "	April 27, 1940	File 12657
Yellowstone Co. "	May 2, 1940	#120551

Supplemental Agreement

Office of Secretary of State of	Date	Recording Reference
Colorado	June 17, 1941	
Illinois	June 11, 1941	Railroad Box 253, No. 2107
Iowa	June 11, 1941	Receipt #794
Kansas	June 11, 1941	Record of Leases No.12,p.No.51, File Box #6
Minnesota	June 11, 1941	Book 24, Railroad Records, on page 50
Missouri	June 6, 1941	Vol. XXVII at page 34 of Records of Contracts and Agreements
Montana	June 11, 1941	Vol. 12 of Mtgs.page 171, et seq.
Nebraska	June 6, 1941	Book O at page 24
South Dakota	June 14, 1941	
Wisconsin	June 10, 1941	Indexed: Railroad Equipment Contracts, Volume 1, Page 10, Railroad Index, Volume 2, page 196. Filed: Folder C-532.152, as Document No. 16
Wyoming	June 27, 1941	Book #2 Misc.record,pages 329-330.

County Office	Date	Recording Reference
Adams County, Colo.	June 9, 1941	Receipt #260766
Boulder " "	June 12, 1941	" #386381
Denver " "	June 17, 1941	" #720161 & 26712
Jefferson " "	June 17, 1941	" #16360
Logan " "	June 7, 1941	" #296223
Morgan " "	June 7, 1941	" #289654
Phillips " "	June 9, 1941	" #120775
Sedgwick " "	June 10, 1941	" #100155
Washington " "	June 10, 1941	" #542513
Weld " "	June 9, 1941	
Yuma " "	June 11, 1941	" #268571
Ramsey County, Minn.	June 18, 1941	" #46913
Big Horn " Mont.	June 19, 1941	" #93685
Carbon " "	July 3, 1941	" #12963 & #87303
Yellowstone" "	July 14, 1941	Document No. 362697

Now, Therefore, This instrument witnesseth:

The First National Bank of Chicago, assignee of the rights of the Great Northern Equipment Company in said Contract, dated as of October 23, 1939, in consideration of the premises and in accordance with the terms of said Contract and Supplemental Agreement dated as of May 1, 1941, does hereby acknowledge full and complete payment and satisfaction by the Buyer of $1,860,789.75, the aggregate purchase price of said equipment, and full and complete compliance with all of the terms, covenants, and conditions of said Contract dated as of October 23, 1939, as modified by said Letter Agreements dated July 22, 1940, and July 29, 1940, and said Supplemental Agreement dated as of May 1, 1941, and

for the purpose of vesting in said Chicago, Burlington & Quincy Railroad Company the title to said equipment described in said Contract, does hereby release, assign, sell, transfer, and deliver to said Chicago, Burlington & Quincy Railroad Company, its successors and assigns, without representations or warranties of any kind, all right, title, and interest in and to the equipment described as follows, to-wit:

10 type 4-8-4 bituminous coal burning steam locomotives (Carrier's Class O-5-A) numbered 5626 to 5635, inclusive;

100 steel flat cars, nominal capacity 50 tons, numbered 89100 to 89199, inclusive;

250 hopper cars, all steel construction, nominal capacity 55 tons, numbered 192600 to 192849, inclusive.

TO HAVE AND TO HOLD the same unto the said Chicago, Burlington & Quincy Railroad Company, its successors and assigns, forever.

IN WITNESS WHEREOF, the Said The First National Bank of Chicago has caused its corporate name to be hereunto subscribed by its Vice President, thereunto duly authorized, and its corporate seal to be hereunto affixed, and attested by its Cashier or Assistant Cashier, this 15th day of March, 1945.

(CORPORATE SEAL)

THE FIRST NATIONAL BANK OF CHICAGO

By J. L. BUCHANAN
Vice President

Attest:

ELLERTON A. LODGE
Asst. Cashier

Signed, sealed and delivered as to
The First National Bank of Chicago,
in the presence of:

PEGGY HUENING
FRANCES SMITH

Approved as to form

R. P. CULLAGER
Contract Attorney

STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, ERNA CARNOT, 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 15 day of March A.D. 1945, 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, J. L. BUCHANAN and ELLERTON A. LODGE, each to me personally known and known to me to be respectively a Vice President and Asst. Cashier of The First National Bank of Chicago, the corporation 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 Asst. Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said J. L. Buchanan and Ellerton A. Lodge 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 J. L. Buchanan resides in Chicago, in the County of Cook, and State of Illinois, and that the said Ellerton A. Lodge resides in Chicago, in the County of Cook and State of Illinois; that said J. L. Buchanan is a Vice President and said Ellerton A. Lodge is Asst. Cashier of The First National Bank of Chicago, the corporation which executed the within and foregoing instrument in writing; that they, the said J. L. Buchanan and Ellerton A. Lodge 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 Asst. Cashier 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

(NOTARIAL SEAL)
My commission expires September 22, 1946

ERNA CARNOT
Notary Public, Cook County

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 26th day of April A.D. 1945 at 11 o'clock A.M. and recorded in Vol. 38 of Railroad Mtgs. on page 191-193.

FRED R. ZIMMERMAN
Secretary of State

INDEXED

(Fee $11.25)

EXECUTED IN 18 COUNTERPARTS
COUNTERPART NO. 18.

CONDITIONAL SALE AGREEMENT

BETWEEN

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

AND

HENRY A. SCANDRETT, WALTER J. CUMMINGS and

GEORGE I. HAIGHT,

TRUSTEES OF THE PROPERTY OF

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY

- - - - - - - - -

For Purchase of
Five 5400 HP Diesel Electric Freight Locomotives
And
Five 4000 HP Diesel Electric Passenger Locomotives

DATED AS OF JUNE 1, 1945

THIS AGREEMENT, dated as of June 1, 1945, by and between GENERAL MOTORS CORPORATION, a corporation organized and existing under the laws of the State of Delaware, (Electro-Motive Division), with an office and place of business in the Village of McCook (Post Office address LaGrange), Illinois (hereinafter sometimes called the "Seller"), 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, not individually but solely as such Trustees (hereinafter sometimes referred to as the "Buyers"), as parties of the second part;

WITNESSETH THAT:

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

(1) Construction, Sale and Delivery. The seller hereby agrees to construct, in accordance with the specifications hereinafter referred to, sell and deliver to the Buyers, and the Buyers hereby agree to buy from the Seller and to accept delivery as hereinafter provided, and to pay therefor as hereinafter set forth, the following described railroad equipment (hereinafter sometimes referred to as "Equipment"):

Five (5) new, 5400 HP Diesel Electric Freight Locomotives, bearing Seller's Serial Numbers and Buyers' Road Numbers, as follows:

	"A" Unit		"B" Unit		"B" Unit		"A" Unit	
	Serial No.	Road No.	Serial No.	Road No.	Serial No.	Road No.	Serial No.	Road No.
(1)	3245	35A	3255	35B	3256	35C	3246	35D
(2)	3247	36A	3257	36B	3258	36C	3248	36D
(3)	3249	37A	3259	37B	3260	37C	3250	37D
(4)	3251	38A	3261	38B	3262	38C	3252	38D
(5)	3253	39A	3263	39B	3264	39C	3254	39D

all as described by Seller's Specification #FT-5400, dated August 2, 1943, with Supplement #1 dated March 14, 1945; and

Five (5) new, 4000 HP Diesel Electric Passenger Locomotives, bearing Seller's Serial Numbers and Buyers' Road Numbers, as follows:

"A" Unit		"B" Unit	
Serial No.	Road No.	Serial No.	Road No.
3235	16-A	3236	16-B
3237	17-A	3238	17-B
3239	18-A	3240	18-B
3241	19-A	3242	19-B
3243	20-A	3244	20-B

all as described by Seller's Specification #594-E, dated August 1, 1944, with Supplement #1 dated March 17, 1945.

Copies of said Specifications have been furnished to the Buyers, and are, by reference, made a part of this Agreement, as fully as though expressly set forth therein.

The purchase price of said equipment shall be the principal amount of Five Hundred Six Thousand, One Hundred Thirty-four Dollars ($506,134.00) for each 5400 HP Diesel Electric Freight Locomotive, F.O.B. Buyers' Station, Milwaukee, Wisconsin, and the principal amount of Three Hundred Fifty-eight Thousand, Seven Hundred Five Dollars ($358,705.00) for each 4000 HP Diesel Electric Passenger Locomotive, F.O.B. Buyers' Station, Milwaukee, Wisconsin. Interest shall be paid by the Buyers at the rate of One and Sixty-Hundredths Per Cent (1.60%) per annum upon the unpaid balances of said principal amounts, and such interest shall be computed, in the case of each locomotive, in the manner set forth in Section 2 of this Agreement.

It is expressly understood and agreed that in the event there should be a general increase in labor and/or material costs as to warrant, in the opinion of the Seller, increasing either of the above mentioned purchase prices (which prices are otherwise firm), the Seller shall notify the Buyers in writing of the amount of such increase before construction of such locomotives is started, and the Buyers shall have the option of either accepting such locomotives at the increased purchase price, or terminating this Agreement, in so far as it pertains to the construction, sale, delivery and acceptance of any such locomotives, which option shall be exercised by notice in writing to the Seller within fifteen (15) days after receipt by the Buyers of notice from the Seller of such price increase. In case such notice or notices terminate this Agreement with respect to any such locomotive or locomotives, this Agreement shall not thereafter be applicable thereto, but shall remain in full force and effect with respect to any and all other locomotives then or thereafter delivered hereunder. Unless such notice by the Buyers is in fact received by the Seller within the period specified, it shall be presumed that such increase is acceptable to the Buyers, and the Seller shall be authorized to proceed with the construction of such locomotives. If either of the above mentioned purchase prices of such locomotives is increased pursuant to the provisions of this paragraph, the amount of any such increase in such purchase price shall be paid in cash by the Buyers to the Seller, on the date of acceptance thereof. Copies of any such notices by either Seller or Buyers shall be promptly furnished any assignee hereof.

It is further expressly understood and agreed, that, in the event there should be a reduction in the purchase price of any of said locomotives before delivery, the amount of such reduction shall be applied by the Seller toward the down payment on the purchase of any such locomotive.

The Seller shall deliver said locomotives, freight charges prepaid, to the Buyers at the Buyers' station in Milwaukee, Wisconsin, from time to time, and whenever any of said locomotives are completed and ready for shipment. The Seller agrees to assume the expense, responsibility and risk of loss in and of the removal of the said locomotives from the Seller's plant at McCook, Illinois, to the place of delivery to the Buyers.

After receipt and inspection of each locomotive by the Buyers or their agents, the Buyers' Chief Mechanical Officer, or his duly authorized representative, shall, if said locomotive meets said specifications, execute a certificate of acceptance. The execution of such certificate of acceptance shall be conclusive evidence the locomotive covered conforms with specifications and is acceptable to the Buyers in all details.

In case all of the units of the equipment shall not be shipped from the Seller's

Works at McCook, Illinois, on or before December 31, 1945, the parties hereto shall be released from their several obligations under this Agreement, with respect to such units of equipment as shall not have been shipped from the Seller's Works at McCook, Illinois, on or before December 31, 1945.

Seller's obligation as to time of shipment is subject, however, to delays due to accident, fire, flood, explosion, labor troubles, Acts of the Government, including embargoes, priorities and allocations, war and war conditions, delays of carriers, delays or defaults of subcontractors, or delays in receipt of materials, or to any other cause or causes (whether or not of the same kind as herein specifically enumerated) beyond the Seller's reasonable control.

(2) Amount and Payment of Purchase Price. Conditional only upon the receipt and acceptance of each locomotive, which may be conclusively presumed from the execution of the Certificate of Acceptance above referred to, the Buyers hereby promise to pay to the Seller, or the assignee thereof, at such place as may be designated by the Seller or its assignee, as the purchase price of said Equipment, the following amounts:

(a) One Hundred Twenty-eight Thousand, One Hundred Thirty-four Dollars ($128,134.00) for each 5400 HP Diesel Electric Freight Locomotive, representing approximately twenty-five per cent (25%) of the purchase price of each such freight locomotive, and Ninety Thousand, Seven Hundred Five Dollars ($90,705.00) for each 4000 HP Diesel Electric Passenger Locomotive, representing approximately twenty-five per cent (25%) of the purchase price of each such passenger locomotive, shall be paid to the Seller upon presentation of an invoice for such locomotive supported by the Certificate of Acceptance in respect of such locomotive;

(b) On the first of the quarterly payment dates, which are hereby fixed as February 1, May 1, August 1 and November 1 of each year, following the date of delivery to and acceptance by the Buyers of each of the locomotives, interest at the rate of One and Sixty-Hundredths Per Cent (1.60%) per annum on the unpaid purchase price of each locomotive from the date of its acceptance to said first quarterly payment date following the date of said acceptance;

(c) Commencing on the second of the quarterly payment dates (February 1, May 1, August 1 or November 1) following the date of delivery to and acceptance by the Buyers of each of the locomotives and continuing for a total of thirty-two (32) consecutive quarterly installment payments, the respective amounts of Twelve Thousand, Six Hundred Eight Dollars and Twenty Cents ($12,608.20), excepting the thirty-second (32nd) quarter, when the amount shall be Twelve Thousand, Six Hundred Eight Dollars and Twenty-three cents ($12,608.23) for each 5400 HP Diesel Electric Freight Locomotive, and Eight Thousand, Nine Hundred Thirty-nine Dollars and Fourteen Cents ($8,939.14) per quarter, excepting the thirty-second (32nd) quarter, when the amount shall be Eight Thousand, Nine Hundred Thirty-nine Dollars and Forty-two Cents ($8,939.42) for each 4000 HP Diesel Electric Passenger Locomotive. In each instance, each of said thirty-two (32) quarterly installment payments includes both principal and interest at the rate of One and Sixty-Hundredth Per Cent (1.60%) per annum upon the unpaid balance of the purchase price of each such locomotive, and shall be applicable first to the interest then due, and the balance to principal.

In addition, in case of any acceptable price increase, made pursuant to Section 1, Buyers shall pay the amount thereof to Seller, in cash, on the date of acceptance of the locomotive or locomotives, to which such price increase is applicable.

The Buyers further covenant and agree to pay interest at the rate of 4% per annum upon all such amounts, principal and interest, after the same become due and payable

pursuant to the terms and provisions hereof.

All payments provided for in this Agreement shall be made by the Buyers at such place as may be designated by the Seller or its assignee, 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.

The Buyers shall have the privilege of prepaying at any time, without the payment of any premium, any sum of the principal in an amount of $25,000.00 or any multiple thereof, together with interest accumulated to the date of such payment on such sum so prepaid. All such principal sums so prepaid shall be applied toward the payment of the last maturing principal installment or installments due hereunder.

At the option of the Buyers, their aforesaid obligation to pay the purchase price of all, or any one or more, of said locomotives, may be evidenced by a promissory note or notes, to be executed and delivered by them, as of the date or dates of their acceptance of said locomotive or locomotives, not in payment of the indebtedness or obligation of the Buyers for the payment of the purchase price of said equipment, but solely as further evidence of said indebtedness; provided, however, that the Buyers shall have obtained approval of, or authority from, the Interstate Commerce Commission, for the execution and delivery of any and all such notes.

(3) Title to the Equipment. The Seller shall, and hereby does, retain the full legal title to and property in, any and all of said Equipment until the Buyers shall have made all of the payments, and shall have kept and performed all of the covenants, in this Agreement provided to be made, kept or performed by the Buyers, notwithstanding the delivery of the Equipment to, and the possession and use thereof by, the Buyers as herein provided.

The Buyers covenant and agree that they will cause each unit of the Equipment to be kept numbered with the proper road numbers and to be kept plainly marked, on metal plates upon both sides of each unit of the Equipment covered by this Agreement, with the name of the Seller or of the Seller's assignee, as the case may be, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyers agree that they will not accept delivery of, or place said Equipment in operation or exercise any control or dominion over any part thereof until said metal plates so marked have been attached on both sides of each unit of said Equipment.

The Buyers shall replace the Equipment or any of it or any parts, at their own cost if it or any of it or any parts shall be lost or destroyed from any cause whatever during the continuance of this Agreement, with other Equipment of similar type and of substantially as good material and construction as that lost or destroyed. The Buyers will cause any such new Equipment to be marked as above provided and to be numbered with the same road number as the Equipment so replaced. Any and all such replacements of Equipment or any of it and of any parts shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement, as though part of the original Equipment delivered hereunder, and included in the word "Equipment" as used in this Agreement. Title to all such new Equipment shall be taken initially, and shall remain, in the name of the Seller (or if this Agreement shall have been assigned, in the name or names of the assignee or assignees, as the case may be) subject to the provisions hereof.

Except as above provided, the Buyers will not allow the name of any person, association or corporation to be placed on the Equipment or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof; provided, however, that the Buyers may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Buyers' interest therein.

When and only when the Seller has been paid the full purchase price for all Equipment, together with interest and any and all other payments as herein provided, and all of the Buyers' covenants and conditions herein contained have been performed by the Buyers, title to and property in all of the Equipment shall pass to and vest in the Buyers without further transfer or act on the part of the Seller, except that the Seller shall, if so requested by the Buyers so to do, execute and deliver to the Buyers a bill or bills of sale of all of said Equipment, transferring the title to and property in said Equipment to the Buyers free and clear of all liens and encumbrances created or retained hereby or by any act, default or omission of the Seller, and shall execute for record or for filing in public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyers to all of said Equipment.

(4) Taxes. All payments to be made by the Buyers hereunder shall be free of expenses to the Seller for collection or other charges, and of the amount of any State or Federal taxes (other than State and Federal income and excess profit taxes) levied or imposed directly upon this Agreement and/or the manufacture of the Equipment covered hereby and/or any sale, payment, shipment, delivery or use under the terms hereof, all of which expenses and taxes the Buyers assume and agree to pay in addition to the above mentioned purchase price of said Equipment. The Buyers shall also pay promptly all taxes and assessments which may be imposed upon the Equipment or the earnings arising therefrom or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the Equipment is operated by the Buyers, and agree to keep at all times all and every part of the Equipment free and clear of all taxes, assessments, liens and encumbrances, except that the Buyer may, in good faith, appropriately contest any tax or assessment levied upon the Equipment.

(5) Compliance with Laws, Rules and Regulations. The Buyers covenant that the Equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the Equipment may be subject. The Buyers further covenant that they will comply in all respects with all acts of Congress and with the laws of the United States and of the States and Territories into which their operations involving the Equipment may extend during the term of this Agreement, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the Equipment, and in the event that said laws or rules require the alteration of any of the Equipment, the Buyers agree to conform therewith, at their expense, and to maintain the same in proper condition for operation under such laws and rules during the life of this Agreement; provided, however, that the Buyers may in good faith contest, in any reasonable manner, the application of any such law or rule which does not, in the judgment of Seller, affect the Seller's title in and to the Equipment.

(6) Servicing, Replacements and maintenance. Seller will send a competent person to the point of delivery of the locomotives, to superintend the placing of the same in working condition. Buyers shall provide each such person, without expense to Seller, with all the necessary labor, materials, locomotive supplies and transportation on lines owned or controlled by Buyers.

The Buyers covenant and agree that they will at all times after the delivery of such equipment, maintain and keep said Equipment in good order and repair at their expense, and shall bear the risk, and shall not be released from their obligations hereunder in case of any and all damage, loss or destruction of said Equipment from whatever cause arising.

Seller shall furnish and install at its expense, at its works, or deliver to Buyers at Seller's works, a new part or parts to replace any part or parts in the locomotives which may fail under normal service within one year after delivery and acceptance, or prior to completion of the first one hundred thousand (100,000) miles of service, whichever event shall occur first, by reason of faulty work performed or defective material furnished by Seller; provided that Buyers notify Seller of the fault when it is first discovered and Seller is accorded an opportunity to verify the same. Seller shall not be liable for any fault of defect in the locomotives, except as in this Section and in said specifications and proposal provided.

(7) Reports and Inspection. The Buyers hereby agree to furnish to the Seller, if requested, once in every year as long as this Agreement shall be in force, an accurate inventory of the Equipment in actual service, the numbers and the description of such Equipment as may have been destroyed and replaced by other, and the then location of said Equipment. In addition thereto, the Buyers agree to furnish to the Seller, if requested, once in each year, as long as this Agreement shall remain in force, a report of inspection by the Buyers' Chief Mechanical Officer, or, if the Seller shall so request, by a competent disinterested party, satisfactory to the Seller, certifying that said Equipment has been maintained, and is, in good order and repair.

The Buyers shall promptly and fully inform the Seller of any loss or destruction of any of the Equipment and of any substantial repairs made or being made upon it or any of it. If requested by the Seller, the Buyers shall furnish to the Seller a report of the Buyers' Chief Mechanical Officer, or, if the Seller shall so request, of a competent disinterested party, satisfactory to the Seller, covering the nature and extent of any damage to the Equipment, and the satisfactory repair thereof.

The Seller shall have the right, but shall be under no obligation, to inspect the Equipment at any reasonable time or times during the continuance of this Agreement. The Buyers agree, in so far as they may legally do so, to supply free transportation over their lines to designated agents of the Seller for the purpose of enabling such agents to reach the point or points where the Equipment is in operation, for the purpose of making such inspection or of assisting and instructing the employees of the Buyers in the proper operation and maintenance of their Equipment.

(8) Use and Location. The Buyers agree that after the delivery of any of the equipment and at all times during the continuance of this Agreement, such Equipment will be kept, maintained and used solely by the Buyers upon the lines of railroad owned and operated by them in the States of Illinois, Indiana, Iowa, Wisconsin, Minnesota, Michigan, North Dakota, South Dakota, Missouri, Nebraska, Montana, Idaho and Washington.

(9) Prohibition against Liens. The Buyers hereby agree to pay or satisfy and discharge any and all sums claimed by any party by, through or under the Buyers and their successors or substitutes or assigns which, if unpaid, might become a lien or a charge upon the Equipment or any of it, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

(10) Indemnities and Guaranties. The Buyers hereby agree to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment or the use or operation thereof. Said covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the Equipment, as provided in Section 3 hereof.

The Buyers will bear the risk, and shall not be released from their obligations hereunder in the event of any damage to, or the destruction or loss of, any or all of the Equipment; provided, however, that the Seller and any successor or successors to its manufacturing property and business shall not, as to any of the Equipment, be relieved from its guaranty covering material and workmanship set forth in Section 6 hereof or in the specifications hereinbefore referred to. Seller for itself and any successor or successors to its manufacturing property and business, also agrees to save, indemnify and keep harmless the Buyers from and against any and all royalties, damages, claims, suits, judgments and costs that may arise in the use of any patented article on the Equipment at the time of delivery, except with regard to any appliances, devices or materials specified or required by the Buyers and not manufactured by the Seller.

(11) Assignments by the Seller. All or any of the rights of the Seller under this Agreement, including the right to receive the payments herein provided to be made by the Buyers, may be assigned by the Seller 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 the Seller or the successor or successors to its manufacturing property and business from, any of the obligations of the Seller to construct and deliver the Equipment herein to be delivered in accordance with the specifications, or to respond to its guaranties, warranties and indemnities, contained in Sections 1, 6 and 10 hereof.

Upon any such assignment the assignor shall give written notice to the Buyers, together with a counterpart or conformed copy of such assignment, stating the identity and postoffice address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Seller's right, title and interest in and to the Equipment and each and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Buyers of the notification of any such assignment, all payments thereafter to be made by the Buyers hereunder shall, to the extent so assigned, be made to the assignee.

In the event that this Agreement is assigned by the Seller as hereinbefore provided, the aforesaid promissory notes, if any have been executed and delivered, shall likewise be assigned, without recourse, by the Seller; and the rights of such assignee to the entire unpaid purchase price, or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Seller or the successors to its manufacturing business in respect of the Equipment or the manufacture, delivery, guaranty or warranty thereof, or in respect of any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyers by the Seller or the successors to its manufacturing business. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Buyers against and only against the Seller and the successor or successors to its manufacturing property and business, and shall not be enforceable against any party or parties in whom title to the Equipment or any of it, or the rights of the Seller hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

In the event of any such sale, transfer or assignment, or successive sales, transfers or assignments by the Seller, of title to any of the Equipment and of the Seller's rights hereunder in respect thereof, the Buyers shall, whenever requested by such vendee, transferee or assignee, change the name plates to be attached on both sides of each unit of the Equipment so as to indicate the title of such vendee, transferee or assignee to

such equipment and its succession to the rights of the Seller hereunder, such plates to bear such words or legend as shall be specified by said vendee, transferee or assignee. The cost of obtaining and attaching the first series of such substituted plates shall be borne by the Seller. The cost of obtaining and attaching plates in connection with any subsequent assignment shall be borne by such subsequent vendee, transferee or assignee.

The term "Seller" whenever used in this Agreement means, before any assignment of all or any rights of the Seller hereunder as hereinbefore provided in this Section 11, General Motors Corporation (Electro-Motive Division), and after any such assignment, the assignee or assignees for the time being of all of such rights.

(12) Successors to and Assignments by the Buyers. The Buyers hereby represent and warrant that their execution of this Agreement and their assumption and undertaking of the obligations, duties and liabilites hereof, have been expressly authorized by an order of the District Court of the United States for the Northern District of Illinois, Eastern Division, entered June 22, 1945, in a certain proceeding therein pending entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor"- In Proceedings for the Reorganization of a Railroad, Docket No. 60463. Said order further provides that as a condition to the termination of the trusteeship of said Railroad, whether pursuant to a plan of reorganization or otherwise, all the obligations then existing or to accrue of the Buyers under this Agreement, shall be assumed as a general obligation by said Railroad or by any other corporation or any receiver or receivers in equity that shall succeed to the Buyers in the possession of not less than 75% of the owned lines of railroad comprising the Buyers' estate. Said order further provides that in case of any sale or conveyance of not less than 75% 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 or to disaffirm the same (but if acquiring not less than 75% 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, provided such transferee corporation shall assume, as a general obligation, all the obligations of the Buyers under this Agreement). Said order further provides that in case any corporation, or any receiver or receivers in equity, shall so succeed the Buyers in the possession of not less than 75% of all of said owned lines of railroad, and shall assume, as a general obligation, all the obligations of the Buyers then existing and to accrue under this Agreement, the Buyers shall thereupon be relieved from any further liability under or in respect of this Agreement. Said order further provides that in the event that upon the consummation of a plan of reorganization, or upon the dismissal or termination of said proceeding, neither the Debtor nor any corporation, or any receiver or receivers in equity, shall alone succeed to the possession of 75% of all of said owned lines of railroad, then all of the unpaid installments of the purchase price hereunder, together with accrued interest thereon, and all of the other obligations and liabilities of the Buyers hereunder, shall become immediately due and payable on the date of such consummation, dismissal or termination, and that the Court will make such provision for the payment thereof as will be equitable.

The Buyers covenant and agree that they will not sell, assign, transfer or otherwise dispose of their rights under this Agreement, nor transfer possession of said Equipment to any other firm, person or corporation without first obtaining the written consent of the Seller to such sale, assignment or transfer; provided, however, that this provision shall not apply to any transfer upon the termination of said trusteeship if said transfer is effected in the manner hereinbefore provided in this Section 12.

The Buyers hereby covenant and agree that they will not pledge, hypothecate or in any way encumber, or permit the encumbrance of, any part or all of said Equipment.

The term "Buyers" whenever used in this Agreement means, before any assignment of the rights of the Buyers hereunder as hereinbefore provided in the second preceding paragraph of this Section 12, Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees aforesaid, as well as any successor or additional Trustees, and not individually, and after any such assignment shall include said Trustees and any assignees thereof, except only in so far as the Seller may specifically, in writing relieve the Trustees or any of them or any such assignee from the obligations hereof as above provided.

(13) Defaults and Acceleration. In the event that any one or more of the following events of default shall occur, to-wit:

(a) The Buyers shall fail to pay in full when due any installment of principal or of interest at the time and in the manner hereinbefore contracted to be paid as provided in Section 2 hereof; or

(b) The Buyers shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on their part to be kept and performed;

then at any time after the occurrence of such an event of default, the Seller may, upon written notice to the Buyers, and upon compliance with any legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, together with the unpaid interest thereon, whether the same shall then have fallen due or not, immediately due and payable, without further demand, and thereafter the entire sum shall carry interest at the rate of 4% per annum upon any portion thereof then overdue, from the date of such default.

The Seller may at its election (and, if before sale or before full performance of this Agreement all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable by the Buyers hereunder, other than such part of said purchase price as shall have become due only because of a declaration under this Section as aforesaid, shall have been paid by the Buyers, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then and in every such case the Seller shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by notice to the Buyers in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such cured default had existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect the Seller's right, upon any other default, or impair any rights or remedies consequent thereon.

(14) Remedies. If the Buyers shall make default as hereinabove provided, then at any time after such notice of declaration of default and during the continuance of such default the Seller may, without further notice or demand except to the extent necessary in order to comply with any legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any of it, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Buyers any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 14 expressly provided, and may remove the same from the use and possession of the Buyers and for such purpose may enter upon the Buyers' premises where the Equipment may be located, and may use and employ in connection with such removal, at the expense of the Buyers, any supplies, services and

aids, and any available trackage and other facilities or means of the Buyers, without process of law; and the Buyers shall deliver the Equipment, or any of it, with all replacements, improvements, equipment, attachments and accessories thereof, at Buyers' own cost at such place or places on Buyers' railroad as the Seller may reasonably designate and for such purpose move or draw the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery the Seller shall have the right to store the same upon the premises of the Buyers without charge until the Seller shall desire to remove the same therefrom. And it is hereby expressly agreed by the Buyers that performance of this Agreement to deliver the Equipment as hereinbefore provided is of the essence of the Agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Buyers requiring specific performance hereof.

If the Buyers shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller with or without retaking possession thereof may sell the Equipment, or any of it, and any such replacements, improvements, equipment, attachments and accessories, free from any and all claims of the Buyers, or of any other party claiming by, through or under them at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Seller may fix (unless the Seller shall, as so permitted, specify a different place or places, in which case the sale or sales shall be held at such place or places and at such time or times as the Seller may specify), in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine in compliance with any such legal requirements, provided that the Buyers shall be given written notice of such sale as provided in any such applicable legal requirements, but in any event no less than ten (10) days prior thereto, by telegram or registered mail addressed to the Buyers at Chicago, Illinois. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Buyers to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment or any of it so offered for sale without accountability to the Buyers (except to the extent of surplus money received as hereinafter provided in the last paragraph of this Section 14), and in payment of such purchase price the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Buyers hereunder.

Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder shall impair any such power or remedy, or shall be construed to be a waiver of any default, or any acquiescence therein.

If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyers shall have the right after all sums due hereunder to the Seller shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyers free from any further liabilities or obligations to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Buyers shall pay the amount of such deficit to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyers.

(15) Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any State, or which by any applicable law of any State would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable State law may be waived they are hereby waived by the Buyers to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

(16) Extension Not a Waiver. Any extension of time granted by the Seller to the Buyers for the payment of any sum due under this Agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(17) Recording. The Buyers shall cause this Agreement to be filed, registered and recorded wherever required for the proper protection of the Seller's title to the Equipment and any replacement or replacements, and its rights under this Agreement; and the Buyers 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 the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this Agreement.

(18) Payment of Expenses. The Buyers shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, printing, execution, acknowledgment, filing, registering and recording of this Agreement and of the first assignment or assignments by the Seller of title to the Equipment, and of any instrument supplemental hereto or amendatory hereof.

(19) Execution of Counterparts. This Agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

(20) Section Headings. All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(21) Modification of Agreement. This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire Agreement between the Buyers and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions

or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyers and the Seller.

(22) Possession and Use of the Equipment by the Buyers. So long as the Buyers shall not be in default under this Agreement, the Buyers shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad aforesaid from and after the delivery of the Equipment by the Seller to the Buyers, but only upon and subject to all terms and conditions of this Agreement.

(23) Law Governing. As the Equipment covered by this Agreement may be used in various states which may have conflicting laws as to the rights and obligations of the parties hereunder, it is agreed that, irrespective of the place of execution of this Agreement or of the place of delivery and use of the Equipment, all rights and obligations of the parties hereto to each other under the terms of this Agreement, shall be governed by the laws of the State of Illinois.

(24) Obligations of Railroad Trustees. The obligations of the Railroad Trustees, under and in respect of this Agreement and said promissory notes, are the obligations of the parties of the second 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 second part are Trustees.

IN WITNESS WHEREOF, General Motors Corporation (Electro-Motive Division) has caused these presents to be executed by its duly elected officers pursuant to lawful resolutions, 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, as aforesaid and not individually, have caused this instrument to be executed in their behalf by one of said Trustees, thereunto duly authorized, all as of the day, month and year first above written.

(CORPORATE SEAL)

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By C. R. OSBORN
Vice-President.

Attest:

A. D. PEDLAR
Asst. Secretary.

Signed, sealed and delivered by General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. DREW
M. H. ABBAS
Attesting Witnesses.

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.

By HENRY A. SCANDRETT

Signed, sealed and delivered by Henry A. Scandrett on behalf of 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,)
COUNTY OF COOK,) SS.

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 22nd day of June, 1945, 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 C. R. Osborn and A. D. Pedlar, to me personally known and known to me to be,

If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyers shall have the right after all sums due hereunder to the Seller shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyers free from any further liabilities or obligations to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Buyers shall pay the amount of such deficit to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyers.

(15) Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any State, or which by any applicable law of any State would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable State law may be waived they are hereby waived by the Buyers to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

(16) Extension Not a Waiver. Any extension of time granted by the Seller to the Buyers for the payment of any sum due under this Agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(17) Recording. The Buyers shall cause this Agreement to be filed, registered and recorded wherever required for the proper protection of the Seller's title to the Equipment and any replacement or replacements, and its rights under this Agreement; and the Buyers 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 the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this Agreement.

(18) Payment of Expenses. The Buyers shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, printing, execution, acknowledgment, filing, registering and recording of this Agreement and of the first assignment or assignments by the Seller of title to the Equipment, and of any instrument supplemental hereto or amendatory hereof.

(19) Execution of Counterparts. This Agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

(20) Section Headings. All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(21) Modification of Agreement. This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire Agreement between the Buyers and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions

or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyers and the Seller.

(22) Possession and Use of the Equipment by the Buyers. So long as the Buyers shall not be in default under this Agreement, the Buyers shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad aforesaid from and after the delivery of the Equipment by the Seller to the Buyers, but only upon and subject to all terms and conditions of this Agreement.

(23) Law Governing. As the Equipment covered by this Agreement may be used in various states which may have conflicting laws as to the rights and obligations of the parties hereunder, it is agreed that, irrespective of the place of execution of this Agreement or of the place of delivery and use of the Equipment, all rights and obligations of the parties hereto to each other under the terms of this Agreement, shall be governed by the laws of the State of Illinois.

(24) Obligations of Railroad Trustees. The obligations of the Railroad Trustees, under and in respect of this Agreement and said promissory notes, are the obligations of the parties of the second 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 second part are Trustees.

IN WITNESS WHEREOF, General Motors Corporation (Electro-Motive Division) has caused these presents to be executed by its duly elected officers pursuant to lawful resolutions, 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, as aforesaid and not individually, have caused this instrument to be executed in their behalf by one of said Trustees, thereunto duly authorized, all as of the day, month and year first above written.

(CORPORATE SEAL)

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By C. R. OSBORN
Vice-President.

Attest:

A. D. PEDLAR
Asst. Secretary.

Signed, sealed and delivered by General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. DREW
M. H. ABBAS
Attesting Witnesses.

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.

By HENRY A. SCANDRETT

Signed, sealed and delivered by Henry A. Scandrett on behalf of 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,)
COUNTY OF COOK,) SS.

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 22nd day of June, 1945, 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 C. R. Osborn and A. D. Pedlar, to me personally known and known to me to be,

respectively, a Vice President and an Asst. Secretary of General Motors Corporation (Electro-Motive Division), 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said C. R. Osborn 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 C. R. Osborn resides in Hinsdale in the State of Illinois, and that said A. D. Pedlar resides in Western Springs, in the State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Asst. Secretary of General Motors Corporation (Electro-Motive Division), the corporation described in and which executed the within and foregoing instrument in writing; that they, said C. R. Osborn, a Vice President, and A. D. Pedlar, an Asst. 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 a Vice President and an Asst. 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 December 5, 1947.

(NOTARIAL SEAL)

Katherine Louden
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 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 28 day of June 1945.

(SEAL)

Michael J. Flynn County Clerk.

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

I, Ruth E. Hall, 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 27th day of June, 1945, 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 behalf of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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, seal, execute and deliver this instrument on behalf of said Trustees, and that he signed, sealed, executed and delivered said instrument as his free and voluntary act and deed, as such Trustee, and as the free and voluntary act and deed of said 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 September 1, 1947.

(NOTARIAL SEAL)

Ruth E. Hall
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 Ruth E. Hall 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 28 day of June, 1945.

(SEAL)

Michael J. Flynn County Clerk.

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS

Received this 29th day of June A.D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 194-207.

Robert C. Zimmerman
Assistant Secretary of State

INDEXED

(Fee $1.00)

CONSENT TO RENUMBER

GRANTED BY

THE FIRST NATIONAL BANK OF SAINT PAUL

TO

GREAT NORTHERN RAILWAY COMPANY

- - -

DATED JUNE 28, 1945

- - - - - - - - - - -

KNOW ALL MEN BY THESE PRESENTS that THE FIRST NATIONAL BANK OF SAINT PAUL, (hereinafter referred to as the "Bank"), assignee from Electro-Motive Corporation of the conditional sale agreement and locomotives hereinafter referred to, for and in consideration of the sum of One Dollar ($1.00) to it paid, the receipt whereof is hereby acknowledged, does hereby C O N S E N T to the renumbering, as hereinafter set out, by GREAT NORTHERN RAILWAY COMPANY (hereinafter referred to as the "Railway") of certain Diesel locomotives sold by the Electro-Motive Corporation to the Railway under conditional sale agreement date July 21, 1941, as amended by agreement dated dated December 11, 1942, and renumbered in accordance with Consent dated February 11, 1944; PROVIDED, HOWEVER, that this Consent is given on the express condition that it shall not affect in any way the present right, title and interest of the Bank in and to any of said locomotives under or by virtue of the conditional sale agreement above referred to; the renumbering to which the Bank hereby consents being the changing of the numbers of said Diesel locomotives as follows:

Original Number	Renumbered per Consent dated February 11, 1944	New Number
5600 A	200 A	253 A
5600 B	200 B	253 B
5900 A	300 A	254 A
5900 B	300 B	255 A
5900 C	300 C	300 B

IN WITNESS WHEREOF the said The First National Bank of Saint Paul has caused these presents to be signed by its Vice President and its corporate seal to be hereunto affixed and attested by its Assistant Cashier this 28 day of June, 1945.

(CORPORATE SEAL)

THE FIRST NATIONAL BANK OF SAINT PAUL

In Presence of:

By EDWARD C. BROWN
Vice President.

N. C. RAY
JEWEL PARSONS

Attest: L. L. SMITH
Assistant Cashier.

STATE OF MINNESOTA)
COUNTY OF RAMSEY) SS.

I, E. D. Dufva, 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 28 day of June, A.D. 1945, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to The First National Bank of Saint Paul to the within and foregoing instrument, Edward C. Brown and L. L. Smith, each to me personally known and known to me to be respectively Vice President and Assistant Cashier of The First National Bank of Saint Paul, 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 Assistant Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said Edward C. Brown and L. L. Smith, 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 Edward C. Brown resides in the City of St. Paul, in the County of Ramsey, and State of Minnesota, and that the said L. L. Smith resides in the City of St. Paul, in the County of Ramsey, and State of Minnesota; that said Edward C. Brown is Vice President and said L. L. Smith is Assistant Cashier of The First National Bank of Saint Paul, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Assistant Cashier, 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 Assistant Cashier 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.

(NOTARIAL SEAL)

E. D. DUFVA
Notary Public, Ramsey County, Minn.
My commission expires June 19, 1948.

State of Wisconsin)
DEPARTMENT OF STATE) ss.

Received this 7th day of July A. D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of R. R. Mtgs. on page 208-209

FRED R. ZIMMERMAN
Secretary of State

INDEXED

(Fee $1.45)

RELEASE AND BILL OF SALE

BY

CHEMICAL BANK AND TRUST COMPANY

TO

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY
EQUIPMENT TRUST, SERIES "N"

DATED JUNE 22, 1945

RELEASE AND BILL OF SALE

THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD
EQUIPMENT TRUST, SERIES N

KNOW ALL MEN BY THESE PRESENTS, that Chemical Bank & Trust Company, as Trustee under a certain Equipment Trust Agreement dated June 11, 1935, between George M. Erhart and Robert A. Miller, Vendors, Chemical Bank & Trust Company, Trustee, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company (Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, successors), known as The Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series N, providing, among other things, for an issue of Equipment Trust Certificates known as The Chicago, Milwaukee, St. Paul and Pacific Railroad Company Equipment Trust Certificates, Series N, DOES HEREBY certify that all of said Equipment Trust Certificates, Series N, have been duly paid or payment thereof duly provided for, and that Chicago, Milwaukee, St. Paul and Pacific Railroad Company and its successors, Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, have complied with all of the terms of said Equipment Trust Agreement, Series N, and Chemical Bank & Trust Company, as such Trustee, DOES HEREBY sell, assign, convey, transfer, set over, release and quitclaim to Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, all of its right, title and interest in and to all railroad equipment of every character now included in or held by said Trustee under said Equipment Trust Agreement, Series N.

IN WITNESS WHEREOF, Chemical Bank & Trust Company has caused these presents to be executed in its name by a Vice President or its Corporate Trust Officer thereunto duly authorized and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries this 22nd day of June, 1945.

(CORPORATE SEAL)

CHEMICAL BANK & TRUST COMPANY,
as Trustee,

HOWARD B. SMITH
Vice President

ATTEST:
J. E. HELLIER
Assistant Secretary.

Signed, sealed and delivered by
Chemical Bank & Trust Company,
in the presence of

E. O. STROTHOFF
L. GILLESON

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

I, HAROLD WILLIAMS, 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 22nd day of June, 1945, 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 HOWARD B. SMITH and J. E. HELLIER, to me personally known and known to me to be, respectively, a Vice President and an Asst. Secretary of Chemical Bank & Trust Company, 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed

as such, and said HOWARD B. SMITH and J. E. HELLIER, 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 HOWARD B. SMITH resides in Montclair in the State of New Jersey, and that said J. E. HELLIER resides in Great Neck, in the State of New York; that said HOWARD B. SMITH is a Vice President, and said J. E. HELLIER is an Asst. Secretary, of Chemical Bank & Trust Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said HOWARD B. SMITH, Vice President, and J. E. HELLIER, Asst. 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 Asst. 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 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 New York, State of New York, this, the day and year in this my certificate first above written.

My Commission as such Notary Public expires March 30, 1946.

(NOTARIAL SEAL)

HAROLD WILLIAMS
Notary Public in and for the State of
New York, County of New York.

HAROLD WILLIAMS
NOTARY PUBLIC, Queens County, No. 3073
Certificates filed in Queens Co. Register's No.164-W-6
New York Co. Clerk's No. 576, Register's No. 322-W-6
Suffolk County Commission Expires March 30,1946

No. 35434

State of New York,)
County of New York,) ss.:

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, the same being a Court of Record having by law a seal, DO HEREBY CERTIFY, that HAROLD WILLIAMS whose name is subscribed to the annexed deposition, certificate of acknowledgment or proof, 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 certificate of his appointment and qualification as a Notary Public for the County of Queens with his autograph signature; that as such Notary Public he was duly authorized by the laws of the State of New York to protect notes, to take and certify depositions, to administer oaths and affirmations, to take affidavits and certify the acknowledgment or 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, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the said annexed instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 22 day of June, 1945.

(COURT SEAL)

ARCHIBALD R. WATSON
County Clerk and Clerk of the Supreme Court, New York County

State of Wisconsin)
DEPARTMENT OF STATE) ss.
Received this 19th day of
July A. D. 1945 at 9
o'clock A.M. and recorded in Vol.
38 of R. R. Mtgs.
on page 210-211.
FRED R. ZIMMERMAN
Secretary of State

INDEXED

(Fee $7.50)

CONDITIONAL SALE AGREEMENT

BETWEEN

AMERICAN CAR AND FOUNDRY COMPANY

AND

GREAT NORTHERN RAILWAY COMPANY

DATED JULY 26, 1945

* * * * * * * * * * *

as of the

THIS AGREEMENT, made/26th day of July, 1945, 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 GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota, having its principal 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 two hundred fifty (250) 52-foot, 70-ton capacity, high tensile, low carbon, steel underframe flat cars, of welded construction throughout, as described below, and will sell and deliver said cars on completion thereof to Vendee, on its rails at Fridley, Minnesota, and Vendee will purchase said cars on completion thereof and will accept delivery thereof on arrival on its tracks at Fridley, Minnesota, subject to each and all of the terms and conditions of this agreement. Said flat cars (hereinafter collectively referred to as the "Cars") shall be constructed in accordance with Vendee's specification No. 446, dated November 8, 1944, with modifications thereof as orally agreed upon November 16, 1944, and Vendor's sketch 10-30-44-A, and Vendee's letters of December 13, 1944, and December 14, 1944, and correspondence supplemental thereto, detailing specialties to be applied to the Cars. Said Cars shall be lettered with the reporting marks G. N. and numbered 66000 to 66249, both inclusive.

2. Vendee will pay Vendor as the purchase price for said Cars on the basis of $3,541.75 per Car as completed and delivered at Fridley, Minnesota, as aforesaid, making an aggregate purchase price of $885,437.50 for all said Cars based on the specifications above referred to. Said purchase price, together with interest on unpaid balances at the annual rate referred to in paragraph 3, 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:

(a) Twenty per cent (20%) of the purchase price of each unit of said Cars upon delivery thereof to the Vendee and receipt by it of invoice therefor.

(b) On the first day of the calendar month following the date of delivery to the Vendee of the last delivered unit of said Cars, interest at the annual rate referred to in paragraph 3 on the unpaid purchase price of each unit from the date of delivery of such unit to said first day of the calendar month following the date of delivery of the last delivered unit.

(c) On the first day of the second calendar month following the date of delivery of the last delivered unit of said Cars, as aforesaid, the sum of Five Thousand Nine Hundred Two and 92/100 Dollars ($5,902.92) on account of said purchase price, and a like sum on the first day of each calendar month thereafter, excepting only that the final monthly payment of principal shall be such as to

extinguish the debt then remaining after application of all previous payments credited thereto, together with interest then accrued and unpaid from the first day of the previous calendar month on the diminishing unpaid balance of said purchase price, at the annual rate referred to in paragraph 3, until the total purchase price, together with such interest, shall have been paid in full. Any monthly payment or payments, at the option of the Vendee, may be paid in advance of maturity, on any payment date and will be credited by the Vendor toward payment in inverse order of the latest installment payment or payments to be made by the Vendee hereunder.

If upon the due date of any interest payable as above the annual rate of interest has not been determined as hereinafter in paragraph 3 provided, the amount of such interest then due shall be computed at the rate of one and one-half per cent (1½%) per annum. Upon subsequent determination of the annual interest rate as hereinafter in paragraph 3 provided, the parties to the payment of amounts of interest paid at the rate of one and one-half per cent (1½%) per annum shall adjust such payments to the annual interest rate as so determined but without any charge for interest upon any amounts so paid or refunded.

3. Within one month after the first day of the calendar month following the date of delivery to the Vendee of the last delivered unit of the Cars, the Vendee will procure a purchaser of the interest of the Vendor in this agreement and the Cars. Upon the request of the purchaser the Vendor will forthwith execute an instrument of assignment in the form attached hereto as "Exhibit 1" and made a part hereof, which such instrument shall be dated as of the first day of the calendar month in which it is delivered to the purchaser, shall appropriately describe the purchaser and shall have inserted therein the annual rate of interest, agreed upon between the purchaser and the Vendee, which unpaid balances of the purchase price hereunder will bear. The Vendor shall deliver such instrument to said purchaser upon payment by the purchaser to the Vendor of the consideration to be stated in said instrument, which shall be the amount of the then unpaid purchase price of the Cars, together with unpaid interest accrued thereon to the date of the delivery of the instrument at the annual rate stated therein. If the Vendee shall not have received all necessary Governmental authority for the execution of the promissory note referred to in said "Exhibit 1", paragraphs 6, 7, 8, 9, and "Exhibit X" shall be deleted from said"Exhibit 1" and the remaining paragraphs thereof shall be renumbered accordingly.

All or any of the rights of such purchaser under this contract, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the purchaser and reassigned by any Assignee at any time and from time to time. Neither the original nor any subsequent 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 paragraphs 5 and 6 hereof, or relieve the Vendee from its obligations to American Car and Foundry Company under paragraph 6 and the first paragraph of paragraph 7 hereof, except that the Assignee shall be obligated to execute necessary and proper instruments of transfer as and when the Vendee shall be entitled thereto pursuant to the provisions of paragraph 8 hereof.

In the 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.

Upon assignment of this contract 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 that 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 in paragraphs 5 and 6 hereof, nor 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 endorceable 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 the rights of Vendor hereunder as hereinbefore provided in this paragraph 3, American Car and Foundry Company, and after 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.

If the Vendee shall fail to provide a Purchaser of the interest of the Vendor in this agreement and the Cars as hereinbefore provided, and within one month after the first day of the calendar month following the date of delivery to the Vendee of the last delivered unit of the Cars, the Vendee shall within said month make full payment of the unpaid balance of the purchase price herein provided for, in cash, together with all unpaid interest thereon at the rate of one and one-half per cent (1½%) per annum up to the date of such final payment, and the Vendor will execute a recordable instrument conveying title to the Cars to the Vendee, and will release all interest under this agreement in the Cars so conveyed.

4. Vendor will give Vendee full opportunity to inspect said Cars during the construction thereof at its Berwick, Pennsylvania, 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 Certificate 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 Cars by a duly authorized agent upon arrival thereof at the place of delivery at Fridley, Minnesota.

5. Vendor will deliver said Cars at Fridley, Minnesota, ready for service and free of all liens, incumbrances 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 Cars will be commenced during the month of July, 1945, and will continue at the rate of approximately eight (8) to ten (10) Cars per working day based upon six 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.

6. 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 that 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.

7. 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, use and manufacturers' taxes, or like taxes or charges which may be assessed, levied or imposed upon or with respect to the manufacture or 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 time to keep the Cars free and clear of all tax liens and incumbrances; 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, and countries 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.

8. 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.

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 lost 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 from another Railroad Company as compensation for such damage, loss or destruction to be first credited toward payment of such balance) and such amount will be credited by the Vendor toward payment in inverse order of the latest installment payment or payments to be made by the Vendee hereunder. Within twenty (20) days after receiving advice of damage to or loss or destruction of any of said Cars, Vendee will give Vendor written notice thereof with full particulars of the extent of the damage, loss or destruction 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 lost or 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.

10. Before delivery of said Cars to Vendee, Vendor will fasten upon each side of each Car a metal plate bearing the following words, or will mark upon each side of each car the following words, in letters not less than one inch in height: "American Car and Foundry Company, Owner". Such plates or markings 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 law 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 "Great Northern", "G.N.", 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 hereinabove 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, lost 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, except that the expense of such change in connection with the assignment contemplated in the first paragraph of paragraph 3 hereof shall be paid by the Vendee.

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. (a) In case the Vendee 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, or shall be in default under the provisions of paragraph 13 hereof; or shall fail or refuse to comply with any other of the terms and covenants in this contract on its part to be kept and performed, or to make provisions satisfactory to Vendor for such compliance, and any such failure or refusal, other than a default under paragraph 13 hereof or a default in the payment of a monthly installment hereunder, shall continue for more than thirty (30) days after notice in writing thereof to Vendee, then, in any such case (herein sometimes called events of default) and at any time thereafter during the continuance of such default Vendor without further notice or demand except to the extent necessary in order to comply with any legal requirements then in force and applicable to such action by Vendor, may declare the entire unpaid balance of the purchase price of the Cars immediately due and payable, without further demand, together with interest thereon at the annual rate referred to in paragraph 3 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 rate of five per cent (5%) per annum. 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. Vendor, may, at its election, and if before sale of said Cars as in paragraph 12 (c) hereof provided, the Vendee shall have paid to Vendor all costs and expenses of Vendor incidental to any such default, and all sums which shall then have become due and payable by Vendee hereunder, other than

that part of said purchase price as shall have become due solely because of the declaration of Vendor under this paragraph, and shall have remedied all other existing events of default or made provision therefor satisfactory to Vendor, Vendor shall, waive any such event of default and its consequences and rescind and annul any such declaration or termination by giving notice to Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had occurred or existed and no such declaration nor termination had beem made; but no such waiver, rescission or annulment shall limit or affect Vendor's right, upon any subsequent default, to declare the unpaid balance of said purchase price due in the manner provided in this paragraph, or extend or affect any other default, or impair any rights or remedies consequent upon any other such default.

(b) If Vendee shall make default as hereinabove provided, then at any time thereafter during the continuance of such default, Vendor without further notice or demand except to the extent necessary in order to comply with any such legal requirements, may take or cause to be taken by its agent or agents immediate possession of the Cars, or any of them, and all present and future equipment, attachments and accessories thereof, without liability to return to Vendee any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this paragraph 12 expressly provided, and may remove the same from the use and possession of Vendee and for such purpose may enter upon Vendee's premises where any of the Cars may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of Vendee, without process of law; and Vendee shall assemble and deliver the Cars, with all replacements, improvements, equipment, attachments and accessories thereof, at its own cost at such place or places on its railroad as Vendor may reasonably designate, and in case of such retaking or delivery Vendor shall have the right to store the same upon the premises of Vendee without charge until Vendor shall be able within a reasonable time to remove the same therefrom. The assembling and delivery of the Cars as hereinbefore provided is of the essence of this contract between the parties and upon application to any court of equity having jurisdiction in the premises, Vendor shall be entitled to a decree against Vendee requiring specific performance hereof.

(c) If Vendee shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, Vendor with or without retaking possession thereof may sell the Cars or any of them, and all replacements thereof, and all improvements, equipment, attachments and accessories placed thereon, free from any and all claims of Vendee, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as Vendor may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at such location and at such time or times as Vendor may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Vendor may determine in compliance with any such legal requirements, provided that written notice of such sale shall be given to Vendee at least ten (10) days prior thereto, by telegram or registered mail addressed to Vendee at its office in St. Paul, Minnesota, or such other notice, if any, as may be necessary to comply with any such legal requirements. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of Vendee to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or

better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, Vendor may itself bid for and become the purchaser of the Cars, or any of them so offered for sale without accountability to Vendee (except to the extent of surplus money received as hereinafter provided in the last paragraph of this paragraph 12) and in payment of such purchase price Vendor shall be entitled to the extent aforesaid to have credited on account thereof all sums due to Vendor from Vendee hereunder.

(d) Each and every power or remedy hereby specifically given to Vendor shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Vendor in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy, or shall be construed to be a waiver of any default, or an acquiescence therein.

(e) If Vendor shall exercise any of the powers or remedies conferred upon it hereunder, Vendee shall have the right after all sums due hereunder to Vendor shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to any of the Cars, if not previously sold or otherwise disposed of by Vendor pursuant to the provisions hereof, to be transferred and assigned by Vendor to Vendee free from any further liabilities or obligations to Vendor. If after applying all sums of money realized by Vendor under the remedies herein provided, there shall remain any amount due it under the provisions of this agreement, Vendee shall pay the amount of such deficit to Vendor. If after applying as aforesaid all sums realized by Vendor there shall remain a surplus in the possession of Vendor, such surplus shall be paid to Vendee.

13. Vendee shall not assign nor transfer this contract or any of its rights hereunder, nor transfer nor sublet the said Cars or any of them without Vendor's written consent first had and obtained, and shall not cause nor 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, and shall not suffer the said Cars or any of them to pass out of Vendee's control except in the ordinary course of interchange of freight cars with connecting railway carriers.

The filing by Vendee or by creditors of Vendee of any petition for reorganization or debt adjustment affecting the obligations of Vendee under this contract, under Section 77 of the Bankruptcy Act, or under any amendment or revision thereof, or under any other provision of the Bankruptcy Act as now or hereafter existing, or any voluntary assignment or transfer of Vendee's interest in and under this contract, or any involuntary transfer of such interest by bankruptcy, or by the appointment of a receiver or trustee, or by execution or by any judicial or administrative decree or process, or otherwise, (unless such petition shall be dismissed or such assignment, transfer, decree or process shall within thirty (30) days from the filing or other effective date thereof, be nullified, stayed or otherwise rendered ineffective, or unless any such receiver(s) or trustee(s) shall within thirty (30) days from the date of his or their appointment adopt this contract pursuant to due authority of the court of his or their appointment) shall be deemed a breach of this contract and a default hereunder; whereupon Vendor may elect to declare the entire unpaid balance of the purchase price immediately due and payable as hereinbefore provided and may thereupon forthwith retake possession of the Cars or any of them and exercise and enforce any and all other remedies as provided by paragraph 12

hereof.

14. 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.

15. Any provision of this contract prohibited by any applicable law of any state or country, or which by any applicable law of any state or country would convert this contract into any instrument other than a contract of conditional sale, shall as to such state or country be ineffective, without modifying as to such state or country the remaining provisions of this contract. Where, however, the conflicting provisions of any applicable law of any state or country may be waived, they are hereby waived by Vendee to the full extent permitted by law.

16. 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.

17. Vendee shall cause this contract to be filed, registered, deposited 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, except the counsel fees of Vendor, incident to the printing, filing, registering and recording of this contract and of any instrument supplemental hereto or amendatory hereof and of the assignment contemplated in the first paragraph of paragraph 3 hereof, but not of subsequent assignments.

18. 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.

19. This contract of conditional sale, together with the specifications as orally modified, sketch and Vendee's letters and supplementary correspondence hereinabove referred to, constitute the entire contract between Vendee and Vendor with respect to the construction, delivery and sale of the Cars herein referred to. No variation or modification of this contract and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of Vendee and Vendor.

20. 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 in the usual interchange of freight cars, but subject at all times to all terms and conditions of this contract.

21. The terms of this contract and all rights and obligations hereunder shall be governed by the laws of the State of Illinois or of any state designated by the Vendor, the laws of which might lawfully be made applicable by agreement of the parties.

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.

(CORPORATE SEAL)

AMERICAN CAR AND FOUNDRY COMPANY

By R. A. WILLIAMS
Vice President.

Attest:

H. C. WICK
Secretary.

Signed, sealed and delivered in the presence of:

B. W. DODWELL
E. R. WOOD

GREAT NORTHERN RAILWAY COMPANY

(CORPORATE SEAL)

By F. G. DORETY
Vice President.

Attest:

F. L. PAETZOLD
Secretary.

Signed, sealed and delivered in the presence of:

K. KLEIN
F. PEPPING

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

I, Wilson P. Dizard, 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 26th day of July, A.D. 1945, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to American Car and Foundry Company, to the within and foregoing instrument, R. A. Williams and H. C. Wick, each to me personally known and known to me to be, respectively, a Vice President and Secretary ~~of American~~ 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 R. A. Williams 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 R. A. Williams resides in the City of New York, State of New York, and that the said H. C. Wick resides in the City of Westfield, State of New Jersey; that said R. A. Williams is a Vice President and said H. C. Wick is 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 Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 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.

WILSON P. DIZARD

(NOTARIAL SEAL)

WILSON P. DIZARD
NOTARY PUBLIC, Richmond County
Certificates Filed in
N.Y.Co.Clk's No. 252, Reg. No. 150-D-6
Commission Expires March 30, 1946

STATE OF MINNESOTA, }
COUNTY OF RAMSEY } SS.

I, HOWARD V. RHEDIN, 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 26th day of July, A. D. 1945, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, F. G. DORETY and F. L. PAETZOLD, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 F. G. DORETY and F. L. PAETZOLD, 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 F.G. DORETY resides in the City of St. Paul, State of Minnesota, and that the said F. L. PAETZOLD, resides in the City of St. Paul, State of Minnesota; that said F. G. DORETY is Vice President and said F. L. PAETZOLD is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

(NOTARIAL SEAL)

HOWARD V. RHEDIN

HOWARD V. RHEDIN,
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 3rd day of
Aug. A. D. 1945 at 9
o'clock A.M. and recorded in Vol.
38 of R.R. Mtgs.
on page 212-222.
FRED R. ZIMMERMAN
Secretary of State

INDEXED

(Fee $8.65)

CONDITIONAL SALE AGREEMENT

BETWEEN

PRESSED STEEL CAR COMPANY, INC.,
SELLER

AND

GREAT NORTHERN RAILWAY COMPANY,
BUYER.

DATED JULY 19, 1945
* * * * * * * * * * *

THIS AGREEMENT made and entered into the 19th day of July, 1945, by and between PRESSED STEEL CAR COMPANY, INC., a corporation of the State of Pennsylvania (hereinafter called the "Seller"), as party of the first part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota (hereinafter called the "Buyer"), as party of the second part,

W I T N E S S E T H:

That in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. Construction, Sale and Delivery. The Seller hereby agrees to construct, sell and deliver to the Buyer, and the Buyer hereby agrees to buy from the Seller and to accept delivery of as hereinafter provided, five hundred (500) 40-foot, 50-ton capacity, high tensile, low carbon, all-steel gondola cars, body and underframe of all welded construction throughout (hereinafter sometimes referred to as "Equipment"), to be constructed in accordance with the Buyer's specifications No. 445, dated November, 1944, and Seller's tracing No. 67735-A, and the Buyer's letters of December 9, 1944, and December 20, 1944, detailing specialties to be applied to the cars. Said cars shall be numbered 75000 to 75499 inclusive.

The Seller shall deliver said Equipment to the Buyer, free of all liens and encumbrances and free of any claims of any nature by or in favor of any person or party and subject only to the reservation of title thereto by the Seller in accordance with the provisions hereof, on tracks of the Buyer at Fridley, Minnesota.

The design and quality of material and equipment in said cars shall conform to all A. A. R. and I. C. C. requirements and specifications as they apply or may apply to cars of this character. The Seller shall deliver said Equipment to the Buyer at such place in first-class operating condition.

The Seller agrees to proceed with the construction of said Equipment with all reasonable dispatch and that delivery thereof will be commenced in the month of July, 1945, and will continue at the rate of approximately seventeen (17) units per day, excluding Sundays and legal holidays, subject, however, to any and all delays due to causes beyond the Seller's control.

At all times during construction, the Equipment shall be subject to inspection by the Buyer and, upon completion the Seller will submit the Equipment to the Buyer at the Seller's plant at McKees Rocks, Pennsylvania, for final inspection and the Buyer will promptly inspect the same and, if in conformity with the requirements hereof, the Buyer, or its duly authorized representative, will deliver to the Seller a certificate to that effect, which certificate shall be conclusive evidence that the units of Equipment covered thereby conform in all respects to this agreement and are acceptable to the Buyer. The Buyer will arrange also for acceptance of said Equipment by a duly authorized Agent, upon arrival thereof at the place of delivery at Fridley, Minnesota.

The Seller shall furnish to the Buyer a complete set of direct process tracings followed in the construction of said Equipment, a complete bill of material and a complete

list of material specified, including any specialties, promptly upon completion and delivery of said Equipment to the Buyer.

2. Amount and Payment of Purchase Price. The Buyer will pay the Seller on the basis of the sum of Three Thousand Nine Hundred Fourteen Dollars and Fifty-six Cents ($3,914.56) per car as completed and delivered at Fridley, Minnesota, as aforesaid, or a total purchase price for all of said Equipment of One Million Nine Hundred Fifty-seven Thousand Two Hundred Eighty Dollars ($1,957,280.00). Said purchase price, together with interest on unpaid balances at the annual rate referred to in Section 3, shall be payable to the Seller at its principal offices in Pittsburgh, Pennsylvania, or elsewhere as may be agreed upon, as follows:

(a) Twenty per cent (20%) of the purchase price of each unit of said Equipment upon delivery thereof to the Buyer and receipt by it of invoice thereof.

(b) On the first day of the calendar month following the date of delivery to the Buyer of the last delivered unit of said Equipment, interest at the annual rate referred to in Section 3 on the unpaid purchase price of each unit from the date of delivery of such unit to said first day of the calendar month following the date of delivery of the last delivered unit.

(c) On the first day of the second calendar month following the date of delivery of the last delivered unit of said Equipment, as aforesaid, the sum of Thirteen Thousand Forty-eight and 54/100 Dollars ($13,048.54) on account of said purchase price, and a like sum on the first day of each calendar month thereafter, excepting only that the final monthly payment of principal shall be such as to extinguish the debt then remaining after application of all previous payments credited thereto, together with interest then accrued and unpaid from the first day of the previous calendar month on the diminishing unpaid balance of said purchase price, at the annual rate referred to in Section 3, until the total purchase price, together with such interest, shall have been paid in full. Any monthly payment or payments, at the option of the Buyer, may be paid in advance of maturity, on any payment date and will be credited by the Seller toward payment in inverse order of the latest installment payment or payments to be made by the Buyer hereunder.

If upon the due date of any interest payable as above the annual rate of interest has not been determined as hereinafter in Section 3 provided, the amount of such interest then due shall be computed at the rate of one and one-half per cent (1½%) per annum. Upon subsequent determination of the annual interest rate as hereinafter in Section 3 provided,, the parties to the payment of amounts of interest paid at the rate of one and one-half per cent (1½%) per annum shall adjust such payments to the annual interest rate as so determined but without any charge for interest upon any amounts so paid or refunded.

3. Assignments and Rate of Interest. Within one month after the first day of the calendar month following the date of delivery to the Buyer of the last delivered unit of the Equipment, the Buyer will procure a purchaser of the interest of the Seller in this agreement and the Equipment. Upon the request of the purchaser the Seller will forthwith execute an instrument of assignment in the form attached hereto as "Exhibit 1" and made a part hereof, which such instrument shall be dated as of the first day of the calendar month in which it is delivered to the purchaser, shall appropriately describe the purchaser and shall have inserted therein the annual rate of interest, agreed upon between the purchaser and the Buyer, which unpaid balances of the purchase price hereunder will bear. The Seller shall deliver such instrument to said purchaser upon payment by the purchaser to the Seller of the consideration to be stated in said instrument, which shall be the amount of the then unpaid purchase price of the Equipment, together with

unpaid interest accrued thereon to the date of the delivery of the instrument at the annual rate stated therein. If the Buyer shall not have received all necessary Governmental authority for the execution of the promissory note referred to in said "Exhibit 1", paragraphs 6, 7, 8, 9, and "Exhibit X" shall be deleted from said "Exhibit 1" and the remaining paragraphs thereof shall be re-numbered accordingly.

All or any of the rights of such purchaser under this agreement, including the right to receive the payments herein provided to be made by the Buyer, may be assigned by the purchaser and reassigned by any assignee at any time and from time to time. Neither the original nor any subsequent assignment shall subject any assignee to or relieve Pressed Steel Car Company, Inc., from any of the obligations of Pressed Steel Car Company, Inc., as to the construction or delivery of the Equipment or as to any indemnity with respect thereto, or to or from any other duty, obligation or liability except that the assignee shall be obligated to execute necessary and proper instruments of transfer as and when the Buyer shall be entitled thereto pursuant to the provisions of Section 5 hereof.

Upon any such assignment the assignor shall give written notice to the Buyer, 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 Seller's right, title and interest in and to the Equipment and each and every unit thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Buyer of the notification of any such assignment, all payments thereafter to be made by the Buyer hereunder shall, to the extent so assigned, be made to, or at the direction of, the assignee.

Upon assignment of this agreement 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 that 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 Pressed Steel Car Company, Inc., in respect of the Equipment or the manufacture or delivery thereof, or in respect of any warranty or indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyer by Pressed Steel Car Company, Inc. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Buyer against and only against Pressed Steel Car Company, Inc., and shall not be enforceable against any party or parties in whom title to the Equipment or any unit thereof, or the rights of the Seller hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

The term "Seller" whenever used in this agreement, means, before any assignment of the rights of the Seller hereunder as hereinbefore provided in this Section 3, Pressed Steel Car Company, Inc. and, after 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 "Pressed Steel Car Company, Inc." whenever used in this agreement 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 properties and business.

The Buyer's interest in this agreement shall not be transferred or assigned by the Buyer at any time without the written consent of the Seller.

If the Buyer shall fail to provide a Purchaser of the interest of the Seller in

this agreement and the Equipment as hereinbefore provided, and within one month after the first day of the calendar month following the date of delivery to the Buyer of the last delivered unit of the Equipment, the Buyer shall within said month make full payment of the unpaid balance of the purchase price herein provided for, in cash, together with all unpaid interest thereon at the rate of one and one-half per cent (1½%) per annum up to the date of such final payment, and the Seller will execute a recordable instrument conveying title to the Equipment to the Buyer, and will release all interest under this agreement in the Equipment so conveyed.

4. Interest, Taxes and Payments in United States Coin or Currency. All said payments by the Buyer hereunder shall bear interest at the highest rate permitted by law but not exceeding five per cent. (5%) per annum, if unpaid, from and after the due date of such payment, and shall be free of expenses to the Seller for collection or other charges, and of the amount of any Municipal, State and/or Federal tax (other than State and/or Federal Income Taxes) hereafter levied or imposed upon this agreement, and/or upon any sale, payment, shipment or delivery under the terms hereof, all of which expenses and taxes the Buyer assumes and agrees to pay in addition to the above-mentioned purchase price of the Equipment. The Buyer shall also pay promptly all taxes and assessments which may be imposed upon the Equipment, or the earnings arising therefrom, or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the Equipment shall be operated by the Buyer, and agrees to keep the Equipment at all times free and clear of all taxes, assessments, liens and encumbrances, and covenants that the Equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the Equipment may be subject; provided, however, that the Buyer shall not be required to pay any tax, assessment or other governmental charge, the validity of which the Buyer shall contest in good faith, and by appropriate legal proceedings, until such contest shall have been decided, unless in the judgment of the Seller, its rights and interests in the Equipment may be materially endangered by such delay.

All payments provided for in this agreement shall be made by the Buyer to the Seller in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of both public and private debts.

5. Title to the Equipment. The Seller shall retain the full legal title to and property in all Equipment until the Buyer shall have made all of the payments, and shall have kept and performed all of the covenants in this agreement provided to be made, kept or performed by the Buyer notwithstanding the delivery of the Equipment to and the possession and use thereof by the Buyer as herein provided. Any and all replacements of the Equipment, and of parts of the Equipment, or any of it, and additions thereto, shall constitute accessions to the Equipment, the title to which shall be immediately vested in the Seller and which shall be subject to all the terms and conditions of this agreement and included in the word "Equipment" as used in this agreement. When and only when the Seller shall have been paid in the aforesaid money the full purchase price for all Equipment, with interest and all other payments as herein provided, and all the Buyer's covenants and conditions herein contained have been performed by the Buyer, title to and property in all of the Equipment shall pass to and vest in the Buyer without further transfer or act on the part of the Seller, except that the Seller shall, if requested by the Buyer so to do, execute and deliver to the Buyer a bill or bills of sale of all of said Equipment, transferring the title to and property in said Equipment to the Buyer free and clear of all liens and encumbrances whatsoever, and shall execute for record or filing in public offices, such instrument or instruments in writing as may be necessary or appropriate

in order then to make clear upon the public records the title of the Buyer to all of said Equipment under the laws of any jurisdiction; provided, however, that if the Seller shall have assigned its interest in and to said Equipment and its rights hereunder pursuant to Section 3 hereof, such assignee of the Seller shall execute and deliver to the Buyer a bill of sale transferring said Equipment to the Buyer free of any interest of such assignee and of any liens arising through any action of such assignee.

6. Compliance with Laws and Rules. The Buyer shall comply in all respects with the laws of the United States, and of the states, and countries into which its operations involving the Equipment may extend during the term of this agreement, and with the lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the Equipment, and, in the event that the said laws or rules require the alteration of any of the Equipment, the Buyer agrees to conform therewith at its expense and to maintain the Equipment in proper condition for operation under such laws and rules during the life of this agreement; provided, however, that the Buyer may in good faith contest the application of any such law or rule in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

7. Maintenance, Replacements, Marking, Reports, Inspection, and Possession and Use of the Equipment. At all times as long as this agreement shall be in force, the Buyer shall keep and maintain the Equipment in good order and proper repair at its own expense, and cause the same to be kept numbered with its road numbers, and kept plainly, distinctly, permanently and conspicuously marked, upon both sides of each unit of the Equipment covered by this agreement, with the name in betters not less than one inch in size, of the Seller or of the Seller's assignee, as the case may be, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyer agrees that it will not place said Equipment in operation or exercise any control or dominion over any part thereof until said markings shall have been applied to both sides of each unit of said Equipment. The Buyer shall replace the Equipment, or any of it, at its own cost, if it, or any of it, shall be lost or destroyed from any cause whatever during the continuance of this agreement, with other Equipment of similar type, and of substantially as good material and construction as that lost or destroyed. The Buyer will cause any such Equipment used for replacement to be marked as above provided. Title to all such Equipment used for replacement shall be taken in the name of the Seller or its assignee as the case may be and shall be immediately subject to all the terms and conditions of this agreement in all respects as though it were part of the original Equipment delivered hereunder. The Buyer, however, shall have the right, instead of replacing any such lost or destroyed Equipment, to pay to the Seller the then unpaid balance properly assignable to such Equipment (any payment already received by the Seller from another railroad company as compensation for such damage or loss, to be first credited toward payment of such balance), and such amounts will be credited by the Seller toward payment in inverse order of the latest installment payment or payments to be made by the Buyer hereunder.

The Buyer further agrees to furnish to the Seller, if requested, once in every year as long as this agreement shall be in force, an accurate inventory of the Equipment in actual service, the number and the description of such Equipment as may have been lost or destroyed and replaced, and the then location of said Equipment as nearly as may be and a statement showing the amount, description and numbers of all Equipment then undergoing repairs or then withdrawn from service.

In the event of a sale, transfer, or assignment, or successive sales, transfers, or assignments, by the Seller of title to any of the Equipment and of the Seller's rights

hereunder in respect thereof, the Buyer shall, whenever requested by such vendee, transferee or assignee, change the name plates at the expense of the assignee (except that the expense of such change in connection with the assignment contemplated in the first paragraph of Section 3 hereof shall be paid by the Buyer) to indicate the title of such vendee, transferee or assignee to such Equipment.

Except as above provided, the Buyer will not allow the name of any person, association or corporation to be placed on the Equipment or any replacement thereof as a designation that might be interpreted as a claim of ownership thereof; provided, however, that the Buyer may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Buyer's interest therein, and of any joint service in which said Equipment may be used.

Within twenty (20) days after receiving the advice of damage to or destruction of any unit or units of said Equipment, the Buyer will give the Seller written notice thereof with full particulars of the extent of the loss or damage incurred. Any failure on the part of the Buyer to replace any such unit of equipment with reasonable promptness, or to pay for each such unit which may be lost or destroyed, shall entitle the Seller to declare a default hereunder and to take such action as is authorized to be taken by the Seller in case of a default by the Buyer in making payment for said Equipment as herein provided.

The Seller shall have the right, but shall be under no obligation, to inspect the Equipment at any reasonable time or times during the continuance of this agreement. The Buyer agrees, in so far as it may legally do so, to supply free transportation over its lines to designated agents of the Seller, for the purpose of enabling such agents to reach the point or points where the Equipment is in operation, for the purpose of making such inspection and assisting and instructing the employees of the Buyer in the proper operation and maintenance of the Equipment. During the continuance of this agreement the Equipment shall not, without the written consent of the Seller, be removed from the possession of the Buyer; provided, however, that said Equipment may be used on the lines of railroad owned or operated by the Buyer or by any corporation, a majority of whose stock shall be owned directly or indirectly by the Buyer or over which the Buyer or any such corporation has trackage rights, and also upon connecting and other railroads in the usual interchange of traffic, from and after the delivery of the Equipment to the Buyer, but only upon and subject to all the terms and conditions of this agreement.

8. Guaranties and Indemnities. The Buyer shall bear the risk, and shall not be released from its obligations hereunder, in the event of any damage to, or the destruction or loss of, any or all of the Equipment. The Seller, for itself and any successor or successors to its manufacturing property and business agrees to save, indemnify and keep harmless the Buyer 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 Buyer and not manufactured by the Seller.

The Buyer agrees to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment, or the use or operation thereof, while this agreement shall be in force. The provisions of this paragraph, however, shall in no way affect the Seller's responsibility under this agreement.

The Buyer shall pay or satisfy and discharge any sum claimed by any party by, through or under the Buyer, its successors and assigns, which if unpaid might become a lien or a charge upon the Equipment or any of it, but shall not be required to pay or

discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

9. Defaults and Remedies. (a) In case the Buyer shall make default in the payment of any installment of the purchase price of any delivered Equipment as herein provided for more than twenty (20) days after the same shall have become payable or shall be in default under the provisions of Section 10 hereof; or shall fail or refuse to comply with any other of the terms and covenants in this agreement on its part to be kept and performed, or to make provisions satisfactory to the Seller for such compliance for more than thirty (30) days after notice in writing thereof to the Buyer, then, in any such case (herein sometimes called events of default) at any time thereafter during the continuance of such event of default, the Seller may, without further notice or demand except to the extent necessary in order to comply with any mandatory legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, whether the same shall then have fallen due or not, immediately due and payable, and it shall become so, without further demand, together with interest at the highest rate permitted by law but not exceeding five per cent. (5%) per annum from the date of such declaration. The Seller shall thereupon be entitled to recover judgment for the entire amount so payable by the Buyer with interest thereon at said rate, and to collect such judgment out of any property of the Buyer wherever situated.

The Seller may waive any such default and its consequences, and rescind and annul any such declaration or termination by written notice to the Buyer. In the event of any default, if, before sale or full performance of this agreement, all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable by the Buyer hereunder (except such part of the purchase price as shall have become due only because of a declaration under this section as aforesaid) shall have been paid by the Buyer, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then, and in every such case, the Seller shall waive any such default and its consequences and rescind and annul any such declaration. Upon such waiver, rescission or annulment, the respective rights of the parties shall be as they would have been if no such cured default had existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect the Seller's right, upon any other or similar default, to declare said purchase price due as aforesaid, or extend to or affect any other default, or impair any rights or remedies consequent thereon.

(b) If the Buyer shall make default as hereinabove provided, then at any time thereafter during the continuance of such default the Seller may, without further notice or demand except to the extent necessary in order to comply with any mandatory legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any of it, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Buyer any sums theretofore paid by the Buyer, and free from all claims whatsoever except as hereinafter in this Section 9 expressly provided, and may remove the same from the use and possession of the Buyer and for such purpose may enter upon the Buyer's premises where the Equipment may be located, and may use and employ in connection with such removal any supplies, services and aids, and any available trackage and other facilities or means of the Byyer, without process of law; and the Buyer shall deliver the Equipment, or any of it, with all replacements, improvements, equipment, attachments and accessories thereof,

at its own cost at such place or places on its railroad as the Seller may reasonably designate and for such purpose, move or draw the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery the Seller shall have the right to store the same upon the premises of the Buyer without charge until the Seller shall desire to remove the same therefrom. And it is hereby expressly agreed by the Buyer that performance of this agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises the Seller shall be entitled to a decree against the Buyer requiring specific performance hereof.

(c) If the Buyer shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller with or without retaking possession thereof may sell the Equipment, or any of it, and any such replacements, improvements, equipment, attachments and accessories, free from any and all claims of the Buyer, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any mandatory legal requirements then in force and applicable to such sale. To the extent permitted by any such mandatory legal requirements, any sale or sales hereunder may be held or conducted at St. Paul, Minnesota, or such other place as the Seller may specify in writing, at such time or times as the Seller may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine in compliance with any such mandatory legal requirements, provided that the Buyer shall be given written notice of such sale at least ten (10) days prior thereto, by telegram or registered mail addressed to the Buyer at 175 East Fourth Street, St. Paul, Minnesota, or such other notice, if any, as may be necessary to comply with any mandatory legal requirements. If such sale shall be a private sale permitted by such mandatory legal requirements, it shall be subject to the right of the Buyer to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at not less than the same price offered by the intending purchaser. To the extent not prohibited by any mandatory legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment or any of it so offered for sale without accountability to the Buyer (except to the extent of surplus money received as hereinafter provided in the last paragraph of this Section 9), and in payment of such purchase price the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Buyer hereunder.

(d) Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy, or shall be construed to be a waiver of any default, or any acquiescence therein.

(e) The Buyer hereby waives, to the fullest extent that they may be waived, all statutory requirements for notice of acceleration, or for notice of the Seller's intention to take possession of said Equipment, or for notice of any such sale, as well as all such

requirements as to the time, place and terms of any such sale. The Buyer agrees that the rights granted herein shall constitute its only rights in and to said Equipment excepting only such additional rights as the Buyer may have under applicable legal provisions, the benefit of which may not be waived.

(f) If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyer shall have the right after all sums due hereunder to the Seller shall have been received by the Seller in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyer free from any further liabilities or obligations to the Seller. If after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this agreement, the Buyer shall pay the amount of such deficit to the Seller. If after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyer.

10. Reorganization or Adjustment Proceedings and Transfers of the Buyer's Interest, a Default. The occurrence of any one or more of the following events, to-wit:

(a) the commencement of any proceedings by or against the Buyer for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions, or extensions; or

(b) the transfer, or attempted transfer, by the Buyer of its interest in or under this agreement without the consent of the Seller; or

(c) the involuntary transfer of the Buyer's interest in or under this agreement effected either by bankruptcy or by the appointment of a receiver or trustee or by execution or by any judicial or administrative decree or process or otherwise, except as authorized by Section 3 hereof, and except the appointment of a receiver or trustee and the adoption by the latter, duly authorized by the court of his appointment, of this agreement, and his agreement within thirty (30) days from the date of his appointment to be bound by the terms and obligations hereof;

shall be deemed a breach of this agreement and a default hereunder; whereupon the Seller may elect to declare the entire purchase price immediately due and payable, as hereinbefore provided, and may thereupon forthwith take possession of said Equipment, or any of it, and exercise and enforce any and all other remedies as provided by section 9 hereof.

11. Notice. Wherever provision is made in this agreement for any notice or demand to or upon the Buyer, or if at any time, the Seller shall desire to give notice to or make any demand upon the Buyer, 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 the Buyer 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.

12. Applicable State Laws. Any provision of this agreement prohibited by any applicable law of any State or country, or which by any applicable law of any State or country would convert this agreement into any instrument other than an agreement of conditional sale, shall as to such State or country be ineffective, without modifying as to such State or country the remaining provisions of this agreement. Where, however, the conflicting provisions of any applicable law of any State or country may be waived they are hereby waived by the Buyer to the full extent permitted by law.

13. Extension Not a Waiver. Any extension of time granted by the Seller to the Buyer for the payment of any sum due under this agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder or of any of its rights and remedies hereunder or otherwise existing.

14. Recording. The Buyer shall cause this agreement to be filed, registered and recorded in the office of the Secretary of State of the States of Wisconsin, Minnesota, Iowa, South Dakota, North Dakota, Montana, Idaho and California, in the proper offices of the States of Washington and Oregon and in such counties thereof as may be required by law, and deposited in the office of the Secretary of State of Canada, as required by Section 146 of the Railway Act of Canada, to the satisfaction of counsel for the Seller, for the protection of the Seller's title to said Equipment and any replacement or replacements thereof and its rights under this agreement; and the Buyer shall from time to time do and perform any other act, and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this agreement. After this agreement shall have been duly filed, registered, deposited and recorded in the proper public offices of said States, or the counties thereof, and countries where said Equipment, or any of it, may be operated or used by the Buyer, as may be required by law, as above provided, said Equipment shall not, nor shall any of it, be removed to or operated or used by the Buyer in any other State or States, or country, except in the usual interchange of traffic and except for casual, isolated and incidental use not in the ordinary course of business, unless and until the Buyer shall have given to the Seller, or its assignee, not less than twenty (20) days' notice in writing stating its intention to operate said Equipment or some of it in such other State, States or country and shall have duly filed this instrument for record, deposit or registration as required by law in such other State, States or country.

15. Payment of Expenses. The Buyer shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, execution, acknowledgment, filing, registering and recording of this agreement, and of any instrument supplemental hereto or amendatory hereof and of the assignment contemplated in the first paragraph of Section 3 hereof, but not of subsequent assignments.

16. Execution of counterparts. This agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

17. Section Headings. All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this agreement.

18. Modification of Agreement. This agreement of conditional sale, together with the specifications, tracing and the Buyer's letters hereinabove referred to, constitutes the entire agreement between the Buyer and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyer and the Seller.

19. Possession and Use of the Equipment by the Buyer. So long as the Buyer shall not be in default under this agreement, the Buyer shall be entitled to the possession of the Equipment and to the use thereof as hereinbefore provided, from and after the delivery

of the Equipment by the Seller to the Buyer, but only upon and subject to all terms and conditions of this agreement.

20. Successors and Assigns. Subject to the limitations contained in Section 3 hereof, and to the provisions contained in Section 3 and/or Section 10 regarding reorganization, adjustment and other proceedings in bankruptcy, and regarding transfers and assignments, voluntary and involuntary, and regarding the continuing obligations of the Seller after its assignment of any or all of the Equipment and of any or all of its rights hereunder, this agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto, as well as the said parties themselves.

21. Law Governing. The terms of the agreement and all rights and obligations hereunder shall be governed by the laws of the State of Pennsylvania or of any State designated by the Seller, the laws of which might lawfully be made applicable by agreement of the parties.

IN WITNESS WHEREOF the parties hereto, pursuant to due corporate authority, have caused this agreement to be executed in their 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 and year first above written.

(CORPORATE SEAL)

PRESSED STEEL CAR COMPANY, INC.
Seller,

By GEO. H. FLEMING
Executive Vice President

Attest:

H. J. GEARHART
Secretary

Signed, sealed and delivered as to Pressed Steel Car Company, Inc., in the presence of

C. E. WALDON
J. P. KUNKEL
Witnesses

GREAT NORTHERN RAILWAY COMPANY,
Buyer,

(CORPORATE SEAL)

Attest:

F. G. DORETY
Vice President

F. L. PAETZOLD
Secretary

Signed, sealed and delivered as to Great Northern Railway Company in the presence of

MILDRED R. GEROR
C. F. ZIEGAHN
Witnesses

STATE OF PENNSYLVANIA,)
COUNTY OF ALLEGHENEY.) SS.

I, F. D. EVANS, 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 26th day of July, A. D. 1945, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Pressed Street Car Company, Inc., to the within and foregoing instrument, Geo. H. Fleming and H. J. Gearhart, each to me personally known and known to me to be, respectively, Executive Vice President and Secretary of Pressed Steel Car Company, Inc., 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 Executive 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 Geo. H. Fleming and H. J. Gearhart, 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 witness that the said Geo. H. Fleming resides in the City of Pittsburgh, State of Pennsylvania, and that the said H. J. Gearhart resides in the City of Pittsburgh, State of Pennsylvania; that said Geo. H. Fleming is Executive Vice President and said H. J. Gearhart is Secretary of Pressed Steel Car Company, Inc., one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Executive Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 Executive Vice President and Secretary in behalf of said corporation by like 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 Allegheny, State of Pennsylvania, this the day and year in this my certificate first above written.

(NOTARIAL SEAL) F. D. EVANS

F. D. EVANS, NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 1, 1949

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

I, HOWARD V. RHEDIN, 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 19 day of July, A. D. 1945, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, F. G. DORETY and F. L. PAETZOLD, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 F. G.DORETY and F. L. PAETZOLD, being by me severally duly swom, 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 F. G. DORETY resides in the City of St. Paul, State of Minnesota, and that the said F. L. PAETZOLD, resides in the City of St. Paul, State of Minnesota; that said F. G. DORETY is Vice President and said F. L. PAETZOLD is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

(NOTARIAL SEAL) HOWARD V. RHEDIN

HOWARD V. RHEDIN
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951

State of Wisconsin)
DEPARTMENT OF STATE) ss.
Received this 6th *day of*
Aug. *A. D. 19* 45 *at* 9
o'clock A.M. and recorded in Vol.
38 *of* R.R. Mtgs.
on page 223-234.
FRED R. ZIMMERMAN
Secretary of State

INDEXED

COUNTERPART NO. 18 of 18

(Fee $4.35)

AGREEMENT AND ASSIGNMENT

BETWEEN

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

AND

SEATTLE-FIRST NATIONAL BANK

DATED JUNE 5, 1945

THIS AGREEMENT AND ASSIGNMENT, dated as of June 5, 1945, by and between GENERAL MOTORS CORPORATION, a corporation of the State of Delaware, (Electro-Motive Division), with an office and place of business in the Village of McCook (Post Office address, LaGrange), Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and SEATTLE-FIRST NATIONAL BANK, a national banking association, having its principal office in the City of Seattle, State of Washington, (hereinafter sometimes referred to as the "Assignee"), as party of the second part;

WITNESSETH THAT:

WHEREAS, the Seller 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 sometimes referred to as the "Buyers"), have entered into a Conditional Sale Agreement, dated as of June 1, 1945 (hereinafter sometimes referred to as the "Agreement"), covering the construction and sale by the Seller, and the purchase by the Buyers, on the conditions set forth in said Agreement, of Five (5) new 5400 HP Diesel Electric Freight Locomotives, bearing Buyers' Road Numbers 35A, 35B, 35C, 35D, and 36A, 36B, 36C, 36D, and 37A, 37B, 37C, 37D, and 38A, 38B, 38C, 38D, and 39A, 39B, 39C, 39D, and Five (5) 4000 HP Diesel Electric Passenger Locomotives, bearing Buyers' Road Numbers 16A, 16B, and 17A, 17B, and 18A, 18B, and 19A, 19B, and 20A, 20B, (hereinafter sometimes referred to as the "Equipment"), all as more particularly described in said Agreement, for an aggregate purchase price of Four Million, Three Hundred Twenty-four Thousand, One Hundred Ninety-five Dollars ($4,324,195.00), payable with interest as provided therein; and

WHEREAS, the Assignee has agreed to purchase the rights of the Seller under said Agreement, in and to the said Equipment and the payments therefor, as provided in said Agreement, and the Seller has agreed to assign the same to the Assignee;

NOW, THEREFORE, for value received, and in consideration of the acceptance of this Assignment by said Assignee, upon the terms and conditions hereinafter set forth, it is agreed:

1. The Seller does hereby sell, assign, transfer and set over unto the Assignee, its successors and assigns, all of the right, title and interest of the Seller under said Agreement in and to said Equipment, and in and to the payments of purchase price and interest thereon to be made by the Buyers, and in and to any sums becoming due under said Agreement (except the right to receive the initial cash payment of One Hundred Twenty-eight Thousand, One Hundred Thirty-four Dollars ($128,134.00) for each 5400 HP Diesel Electric Freight Locomotive, and Ninety Thousand, Seven Hundred Five Dollars ($90,705.00) for each 4000 HP Diesel Electric Passenger Locomotive, said initial cash payments to be made by the Buyers directly to the Seller), together with all of the rights of the Seller in respect thereof, set forth in said Agreement as applying to the Seller thereunder, as therein defined, but without recourse to the Seller, for or on account of any failure of payment or compliance with any of the terms or provisions of said Agreement on the part of the Buyers; provided, however, that this Assignment shall not subject the Assignee to, or relieve the Seller, or any successor or successors to its manufacturing properties and business, from complying with the obligations of the Seller to construct and deliver

the Equipment, as in the Agreement provided, or complying with the provisions of Sections 6 and 10 of said Agreement, or relieve the Buyers from their obligations under Sections 4 and 10 of said Agreement; it being understood and agreed, however, that, notwithstanding this Assignment, or any subsequent assignment pursuant to Section 5 hereof, all said obligations of the Seller to the Buyers, in respect of the Equipment, shall be and remain enforceable by the Buyers, their successors and assigns, against, and only against, the Seller, and any successor or successors to its manufacturing properties and business. In furtherance of this Assignment and transfer, the Seller does hereby authorize and empower the Assignee to ask, demand, sue for, collect, receive and enforce payments to be made, and compliance, on the part of the Buyers, with the terms and provisions of said Agreement in respect of said Equipment, but in the name of, and at the expense and liability, and for the sole benefit of the Assignee.

2. From time to time, as each unit of said Equipment is delivered to and accepted by the Buyers, the Assignee shall pay, and it hereby covenants and agrees to pay, to the Seller, in lawful money of the United States, the sum of Three Hundred Seventy-eight Thousand Dollars ($378,000.00) for each 5400 HP Diesel Electric Freight Locomotive, and the sum of Two Hundred Sixty-eight Thousand Dollars ($268,000.00) for each 4000 HP Diesel Electric Passenger Locomotive, so delivered, upon receipt of a duplicate of the Seller's invoice, covering each locomotive so accepted, showing receipt by the Seller of the initial payment hereinabove referred to, and of Certificate of Acceptance signed by the Buyers' Chief Mechanical Officer, or his duly authorized representative, stating that the unit of equipment covered by such Certificate of Acceptance has been delivered to and accepted by him on behalf of the Buyers as conforming in all respects to the terms of the Agreement, and that, at the time of such delivery, there was attached to each side of each unit of said equipment, a metal plate indicating the Seller as Owner, it being the intention of the parties to provide, by this Assignment, that as each unit of said Equipment is shipped from the Seller's Works at McCook, Illinois, on or before December 31, 1945, and is delivered to and accepted by the Buyers, the Seller shall receive from the Assignee the aforesaid balance of the purchase price. Assignee shall pay to Seller the accrued interest on the aforesaid balance of purchase price, from the date of acceptance of each locomotive to the date of payment by Assignee.

Upon receipt by the Seller from the Assignee of the balance of the purchase price as aforesaid, the Seller warrants that there will be plainly, permanently and conspicuously placed, fastened and maintained, on each side of each unit of said equipment, in place of the aforesaid plate indicating the Seller as Owner, a metal plate bearing the following words:

"SEATTLE-FIRST NATIONAL BANK, OWNER BY ASSIGNMENT FROM GENERAL MOTORS CORPORATION (ELECTRO-MOTIVE DIVISION), MANUFACTURER AND PRIOR OWNER."

3. It is understood and agreed, that the obligation of the Assignee to pay the purchase price of each unit of said Equipment, shall only extend to such units of said Equipment as shall be shipped from Seller's Works at McCook, Illinois, on or before December 31, 1945, and delivered to and accepted by the Buyers, and that the duty of the Assignee to pay the balance of the purchase price of any unit of said Equipment not so shipped, delivered and accepted, shall absolutely cease.

4. The Seller represents and warrants to the Assignee, its successors and assigns, that said Agreement was lawfully executed for a valid consideration, that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto.

The Seller covenants and agrees that it will construct said Equipment in full and complete accordance with the Agreement, and that it will deliver the same, upon completion

thereof, to the Buyers, free of all liens and encumbrances, and in accordance with the provisions of said Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each and all of the covenants and conditions of said Agreement, set forth to be performed and complied with by the Seller. The Seller further covenants and agrees that it has good and lawful right to sell the said Equipment as aforesaid; and that it will warrant and defend the same against the lawful demands of all persons whomsoever, based on claims originating prior to the delivery of said Equipment by the Seller to the Buyers; all subject, however, to the provisions of said Agreement and the rights of the Buyers thereunder.

5. If a promissory note or notes are issued to the Seller by the Buyers under said Agreement, not in payment of the indebtedness or obligation of the Buyers for the payment of the purchase price of said Equipment, but solely as further evidence of said indebtedness, the Seller agrees to endorse, without recourse, said promissory note or notes, and deliver them to the Assignee; provided, however, that said promissory notes may be issued directly to the Assignee by the Buyers.

The Assignee agrees that all partial payments of the purchase price indebtedness provided in said Agreement shall correspondingly reduce said indebtedness under said promissory note or notes, and that payment upon either said Agreement or said promissory note or notes shall constitute payment on the other, and that there shall be but a single recovery against Buyers on said Agreement, and said promissory note or notes and said recovery shall be limited to the amount of the principal, with interest thereon, remaining unpaid on said Agreement and said promissory note or notes.

The Assignee hereby agrees to accept the aforementioned note or notes as further evidence, but not in payment, of the Buyers' obligation to pay the purchase price of the equipment so conditionally sold. The Assignee agrees that it will not assign or transfer its interest in said Agreement, or in said Equipment, without transferring the said promissory note or notes to the same party or parties, and it will not endorse, transfer or assign said promissory note or notes without also assigning its interest in said Agreement, including its title to said Equipment, to the same party or parties. The Assignee further agrees not to assign its interest in said Agreement or the title to said Equipment, unless its assignee shall, by the terms of the assignment or otherwise, assume and become bound by such of the provisions of aid Agreement as an assignee is required to assume and become bound by under the terms of said Agreement. The Assignee further agrees that it will not endorse or transfer said note or notes or assign its interest in said Agreement or the title to the Equipment, without requiring of the endorsee, assignee or transferee, an agreement similar to that made by the Assignee in this Section.

6. The rights of the Assignee to the entire unpaid purchase price of said locomotives shipped from Seller's Works at McCook, Illinois, on or before December 31, 1945, and delivered to and accepted by the Buyers, and interest thereon, as well as any other rights as may be so assigned hereunder, shall not be subject to any defense, offset, counterclaim or recoupment whatsoever arising out of any breach of any obligation of Seller, or the successor or successors to its manufacturing properties and business, in respect of the construction or delivery of the Equipment, or under Sections 6 and 10 of said Agreement, nor subject to any defense, offset, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Buyers by Seller, or the successor to its manufacturing business.

7. The Seller agrees to indemnify, save and keep harmless the Assignee from and against any and all royalties, damages, claims, suits, judgments and costs that may arise

because of the claim that the use of any article in the construction of the Equipment, and thereon at the time of delivery thereof (except any design or articles specified or required by the Buyers and not manufactured by the Seller), infringes any patent.

8. This Agreement and Assignment may be simultaneously executed in two 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.

9. It is agreed that, irrespective of the place of execution of this Agreement and Assignment, all rights and obligations hereunder of the parties hereto shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Assignment to be duly executed by their respective proper officers and their respective seals to be hereunto affixed, duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant Cashiers all as of the day, month and year first herein written.

(CORPORATE SEAL) GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By C. R. OSBORN
Vice President.

Attest:

A. D. PEDLAR
Assistant Secretary.

Signed, sealed and delivered by General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. DREW

R. M. DIEBOLD
Attesting Witnesses.

(CORPORATE SEAL) SEATTLE-FIRST NATIONAL BANK,

By F. E. JEROME
Vice President.

Attest:

F. C. JENNER
Assistant Cashier

Signed, sealed and delivered by Seattle-First National Bank, in the presence of:

K. A. SPENCE

BARTLETT HOOPER
Attesting Witnesses.

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

I, JAMES SORNA, 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 19th day of July, 1945, 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 instruments, the within named C. R. OSBORN and A. D. PEDLAR, to me personally known and known to me to be, respectively, a Vice President and an Asst. Secretary of General Motors Corporation (Electro-Motive Division), 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said C. R. OSBORN 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 C. R. OSBORN resides in Hinsdale in the State of Illinois, and that said A. D. PEDLAR resides in Western Springs in the State of Illinois; that said C. R. OSBORN is a Vice President and said A. D. PEDLAR is an Asst. Secretary of General Motors Corporation (Electro-Motive Division), the corporation described in and which executed the within and foregoing instrument in writing; that they, said C. R. OSBORN, a Vice President, and A. D. PEDLAR, an Asst. 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 a Vice President and an Asst. 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 January 12, 1946.

(NOTARIAL SEAL) JAMES SORNA
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 JAMES SORNA 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 21 day of July, 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF WASHINGTON,)
COUNTY OF KING.) SS.

I, HARVARD PALMER, 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 31st day of July, 1945, 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. JEROME and F. C. JENNER, to me personally known and known to me to be, respectively, Vice President and Assistant Cashier of Seattle-First National Bank, the 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. JEROME and F. C. JENNER, 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. JEROME resides in Seattle in the State of Wash., and that said F. C. JENNER resides in Seattle, in the State of Wash.; that said F. E. JEROME is Vice President and said F. C. JENNER is Assistant Cashier of Seattle-First National Bank, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said F. E. JEROME, Vice President, and F. C. JENNER, Assistant Cashier, know the corporate seal of said association; that the seal affixed to said instruments as the seal of said association is such corporate seal; that it was so affixed thereto by authority of said 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 Cashier in behalf of said association 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 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 association and that said 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 King, State of Wash., this the day and year in this my certificate first above written.

My commission as such Notary Public expires May 26, 1947.

(NOTARIAL SEAL) HARVARD PALMER
Notary Public in and for the State of Wash., County of King.

STATE OF WASHINGTON,)
COUNTY OF KING.) SS.

I, NORMAN R. RIDDELL, County Clerk of King County, and ex-officio Clerk of the Superior Court, of the State of Washington, for the County of King, the same being a Court of Record, and having a Clerk and Seal, do hereby certify that HARVARD PALMER, the person whose name is subscribed to the annexed acknowledgment, certificate of proof or affidavit, and before whom the same was taken, was at the date thereof, and is now a Notary Public in and for the said State, duly appointed and commissioned; that by virtue of his said office, he is authorized to take acknowledgments and proofs of deeds or conveyances of land, tenements, hereditaments, mortgages and other instruments in writing required to be recorded or acknowledged in said State, and to administer oaths.

I DO FURTHER CERTIFY that I am acquainted with the handwriting of said Notary Public and the name subscribed to the said annexed acknowledgment, certificate or proof or affidavit, is his proper and genuine signature, and the same is executed according to the laws of the State of Washington, which do not require the impression of the seal of such Notary Public to be filed in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court at Seattle, King County, Washington, this 31st day of July, A. D., 1945.

(COURT SEAL)

NORMAN R. RIDDELL, Clerk

By Mary Repons, Deputy

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.

Received this 8th day of Aug. A. D. 1945

at 9 o'clock A. M. and recorded in Vol. 38

of R. R. Mtgs. on Page 235-240.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

INDEXED

EXECUTED IN 18 COUNTERPARTS

COUNTERPART NO. 18.

(Fee $15.00)

CONDITIONAL SALE AGREEMENT

BETWEEN

FAIRBANKS, MORSE & CO.

AND

HENRY A. SCANDRETT, WALTER J. CUMMINGS AND

GEORGE I. HAIGHT,

TRUSTEES OF THE PROPERTY OF

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DATED JUNE 25, 1945

- - - - - - - - - -

FOR PURCHASE OF
TEN 1000 HP DIESEL ELECTRIC SWITCHING LOCOMOTIVES

- - - - - - - - - -

AGREEMENT AND ASSIGNMENT

BETWEEN

FAIRBANKS, MORSE & CO.

AND

SEATTLE-FIRST NATIONAL BANK

DATED JUNE 30, 1945

- - - - - - - - - -

THIS AGREEMENT, dated as of June 25, 1945, by and between FAIRBANKS, MORSE & CO., a corporation organized and existing under the laws of the State of Illinois, with an office and place of business in the City of Chicago, Illinois (hereinafter sometimes called the "Seller"), 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, not individually but solely as such Trustees (hereinafter sometimes referred to as the "Buyers"), as parties of the second part;

WITNESSETH THAT:

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

(1) Construction, Sale and Delivery. The Seller hereby agrees to construct, in accordance with the specifications hereinafter referred to, sell and deliver to the Buyers, and the Buyers hereby agree to buy from the Seller and to accept delivery as hereinafter provided, and to pay therefor as hereinafter set forth, the following described railroad equipment (hereinafter sometimes referred to as "Equipment"):

Ten (10) new, 1000 HP Diesel Electric Switching Locomotives,

bearing Seller's Serial Numbers and Buyers' Road Numbers, as follows:

Serial No.	Road No.	Serial No.	Road No.
L-1005	1803	L-1010	1808
L-1006	1804	L-1011	1809
L-1007	1805	L-1012	1810
L-1008	1806	L-1013	1811
L-1009	1807	L-1014	1812

all as described by Seller's Specification A.L.B. 100.5A of 1945, and Seller's proposal dated February 8, 1945.

Copies of said Specifications have been furnished to the Buyers, and are, by reference, made a part of this Agreement, as fully as though expressly set forth therein.

The purchase price of said equipment shall be the principal amount of Seventy-nine Thousand, Forty-three Dollars ($79,043.00) for each 1000 HP Diesel Electric

Switching Locomotive, F. O. B. Buyers' Station, Beloit, Wisconsin. Interest shall be paid by the Buyers at the rate of One and Sixty-Hundredths Per Cent (1.60%) per annum upon the unpaid balances of said principal amounts, and such interest shall be computed, in the case of each locomotive, in the manner set forth in Section 2 of this Agreement.

It is expressly understood and agreed that in the event there should be a general increase in labor and/or material costs as to warrant, in the opinion of the Seller, increasing the above mentioned purchase price (which price is otherwise firm), the Seller shall notify the Buyers in writing of the amount of such increase before construction of such locomotives is started, and the Buyers shall have the option of either accepting such locomotives at the increased purchase price, or terminating this Agreement, in so far as it pertains to the construction, sale, delivery and acceptance of any such locomotives, which option shall be exercised by notice in writing to the Seller within fifteen (15) days after receipt by the Buyers of notice from the Seller of such price increase. In case such notice or notices terminate this Agreement with respect to any such locomotive or locomotives, this Agreement shall not ~~it~~ thereafter be applicable thereto, but shall remain in full force and effect with respect to any and all other locomotives then or thereafter delivered hereunder. Unless such notice by the Buyers is in fact received by the Seller within the period specified, it shall be presumed that such increase is acceptable to the Buyers, and the Seller shall be authorized to proceed with the construction of such locomotives. If the above mentioned purchase price of such locomotives is increased pursuant to the provisions of this paragraph, the amount of any such increase in such purchase price shall be paid in cash by the Buyers to the Seller, on the date of acceptance thereof. Copies of any such notices by either Seller or Buyers shall be promptly furnished any assignee hereof.

It is further expressly understood and agreed, that, in the event there should be a reduction in the purchase price of any of said locomotives before delivery, the amount of such reduction shall be applied by the Seller toward the down payment on the purchase of any such locomotive.

The Seller shall deliver said locomotives, freight charges prepaid, to the Buyers at the Buyers' station in Beloit, Wisconsin, from time to time, and whenever any of said locomotives are completed and ready for shipment. The Seller agrees to assume the expense, responsibility and risk of loss in and of the removal of the said locomotives from the Seller's plant at Beloit, Wisconsin, to the place of delivery to the Buyers.

After receipt and inspection of each locomotive by the Buyers or their agents, the Buyers' Chief Mechanical Officer, or his duly authorized representative, shall, if said locomotive meets said specifications, execute a certificate of acceptance. The execution of such certificate of acceptance shall be conclusive evidence the locomotive covered conforms with specifications and is acceptable to the Buyers in all details.

In case all of the units of the equipment shall not be shipped from the Seller's Works at Beloit, Wisconsin, on or before December 31, 1945, the parties hereto shall be released from their several obligations under this Agreement, with respect to such units of equipment as shall not have been shipped from the Seller's Works at Beloit, Wisconsin, on or before December 31, 1945.

Seller's obligation as to time of shipment is subject, however, to delays due to accident, fire, flood, explosion, labor troubles, Acts of the Government, including embargoes, priorities and allocations, war and war conditions, delays of carriers, delays or defaults of subcontractors, or delays in receipt of materials, or to any other cause or causes (whether or not of the same kind as herein specifically enumerated) beyond the Seller's reasonable control.

(2) Amount and Payment of Purchase Price. Conditional only upon the receipt and acceptance of each locomotive, which may be conclusively presumed from the execution of the Certificate of Acceptance above referred to, the Buyers hereby promise to pay to the Seller, or the assignee thereof, at such place as may be designated by the Seller or its assignee, as the purchase price of said Equipment, the following amounts:

(a) Nineteen Thousand, Seven Hundred Ninety-three Dollars ($19,793.00) for each 1000 HP Diesel Electric Switching Locomotive, representing approximately twenty-five per cent (25%) of the purchase price of each such switching locomotive, shall be paid to the Seller upon presentation of an invoice for such locomotive supported by the Certificate of Acceptance in respect of such locomotive;

(b) On the first of the quarterly payment dates, which are hereby fixed as February 1, May 1, August 1 and November 1 of each year, following the date of delivery to and acceptance by the Buyers of each of the locomotives, interest at the rate of One and Sixty-Hundredths Per Cent (1.60%) per annym on the unpaid purchase price of each locomotive from the date of its acceptance to said first quarterly payment date following the date of said acceptance;

(c) Commencing on the second of the quarterly payment dates (February 1, May 1, August 1 or November 1) following the date of delivery to and acceptance by the Buyers of each of the locomotives and continuing for a total of thirty-two (32) consecutive quarterly installment payments, the respective amounts of One Thousand Nine Hundred Seventy-six Dollars and Twenty-eight Cents ($1,976.28), excepting the thirty-second (32nd) quarter, when the amount shall be One Thousand, Nine Hundred Seventy-six Dollars and Forty-six Cents ($1,976.46) for each 1000 HP Diesel Electric Switching Locomotive. Each of said thirty-two (32) quarterly installment payments includes both principal and interest at the rate of One and Sixty-Hundredths Per Cent (1.60%) per annum upon the unpaid balance of the purchase price of each such locomotive, and shall be applicable first to the interest then due, and the balance to principal.

In addition, in case of any acceptable price increase, made pursuant to Section 1, Buyers shall pay the amount thereof to Seller, in cash, on the date of acceptance of the locomotive or locomotives, to which such price increase is applicable.

The Buyers further covenant and agree to pay interest at the rate of 4% per annum upon all such amounts, principal and interest, after the same become due and payable pursuant to the terms and provisions hereof.

All payments provided for in this Agreement shall be made by the Buyers at such place as may be designated by the Seller or its assignee, 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.

The Buyers shall have the privilege of prepaying at any time, without the payment of any premium, any sum of the principal in an amount of $25,000.00 or any multiple thereof, together with interest accumulated to the date of such payment on such sum so prepaid. All such principal sums so prepaid shall be applied with suitable allowance of interest at said rate of 1.60% per annum toward the payment of the last maturing installment or installments due hereunder.

At the option of the Buyers, their aforesaid obligation to pay the purchase price of all, or any one or more, of said locomotives, may be evidenced by a promissory note or notes, to be executed and delivered by them, as of the date or dates of their acceptance of said locomotive or locomotives, not in payment of the indebtedness or obligation of the Buyers for the payment of the purchase price of said equipment, but solely as further evidence of said indebtedness; provided, however, that the Buyers shall have obtained

approval of, or authority from, the Interstate Commerce Commission, for the execution and delivery of any and all such notes.

(3) Title to the Equipment. The Seller shall, and hereby does, retain the full legal title to and property in, any and all of said Equipment until the Buyers shall have made all of the payments, and shall have kept and performed all of the covenants, in this Agreement provided to be made, kept or performed by the Buyers, notwithstanding the delivery of the Equipment to, and the possession and use thereof by, the Buyers as herein provided.

The Buyers covenant and agree that they will cause each unit of the Equipment to be kept numbered with the proper road numbers and to be kept plainly marked, on metal plates upon both sides of each unit of the Equipment covered by this Agreement, with the name of the Seller or of the Seller's assignee, as the case may be, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyers agree that they will not accept delivery of, or place said Equipment in operation or exercise any control or dominion over any part thereof until said metal plates so marked have been attached on both sides of each unit of said Equipment.

The Buyers shall replace the Equipment or any of it or any parts, at their own cost if it or any of it or any parts shall be lost or destroyed from any cause whatever during the continuance of this Agreement, with other Equipment of similar type and of substantially as good material and construction as that lost or destroyed. The Buyers will cause any such new Equipment to be marked as above provided and to be numbered with the same road number as the Equipment so replaced. Any and all such replacements of Equipment or any of it and of any parts shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement, as though part of the original Equipment delivered hereunder, and included in the word "Equipment" as used in this Agreement. Title to all such new Equipment shall be taken initially, and shall remain, in the name of the Seller (or if this Agreement shall have been assigned, in the name or names of the assignee or assignees, as the case may be) subject to the provisions hereof.

Except as above provided, the Buyers will not allow the name of any person, association or corporation to be placed on the Equipment or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof; provided, however, that the Buyers may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Buyers' interest therein.

When and only when the Seller has been paid the full purchase price for all Equipment, together with interest and any and all other payments as herein provided, and all of the Buyers' covenants and conditions herein contained have been performed by the Buyers, title to and property in all of the Equipment shall pass to and vest in the Buyers without further transfer or act on the part of the Seller, except that the Seller shall, if so requested by the Buyers so to do, execute and deliver to the Buyers a bill or bills of sale of all of said Equipment, transferring the title to and property in said Equipment to the Buyers free and clear of all liens and encumbrances created or retained hereby or by any act, default or omission of the Seller, and shall execute for record or for filing in public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyers to all of said Equipment.

(4) Taxes. All payments to be made by the Buyers hereunder shall be free of expenses to the Seller for collection or other charges, and of the amount of any State or Federal (other than State and Federal income and excess profits taxes) taxes/ hereafter levied or imposed directly upon this Agreement and/or the manufacture of the Equipment covered hereby and/or any sale, payment, shipment, delivery or use under the terms hereof, all of which expenses and taxes the Buyers assume and agree to pay in

addition to the above mentioned purchase price of said Equipment. The Buyers shall also pay promptly all taxes and assessments which may be imposed upon the Equipment or the earnings arising therefrom or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the Equipment is operated by the Buyers, and agree to keep at all times all and every part of the Equipment free and clear of all taxes, assessments, liens and encumbrances, except that the Buyer may, in good faith, appropriately contest any tax or assessment levied upon the Equipment.

(5) Compliance with Laws, Rules and Regulations. The Buyers covenant that the Equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the Equipment may be subject. The Buyers further covenant that they will comply in all respects with all acts of Congress and with the laws of the United States and of the States and Territories into which their operations involving the Equipment may extend during the term of this Agreement, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the Equipment, and in the event that said laws or rules require the alteration of any of the Equipment, the Buyers agree to conform therewith, at their expense, and to maintain the same in proper condition for operation under such laws and rules rules during the life of this Agreement; provided, however, that the Buyers may in good faith contest, in any reasonable manner, the application of any such law or rule which does not, in the judgment of Seller, affect the Seller's title in and to the Equipment.

(6) Servicing, Replacements and Maintenance. Seller will send a competent person to the point of delivery of the locomotives, to superintend the placing of the same in working condition. Buyers shall provide each such person, without expense to Seller, with all the necessary labor, materials, locomotive supplies and transportation on lines owned or controlled by Buyers.

The Buyers covenant and agree that they will at all times after the delivery of such equipment, maintain and keep said Equipment in good order and repair at their expense, and shall bear the risk, and shall not be released from their obligations hereunder in case of any and all damage, loss or destruction of said Equipment from whatever cause arising.

Seller shall furnish and install at its expense, at its works, or deliver to Buyers at Seller's works, a new part or parts to replace any part or parts in the locomotives which may fail under normal service within one year after delivery and acceptance, by reason of faulty work performed or defective material furnished by Seller; provided that Buyers notify Seller of the fault when it is first discovered and Seller is accorded an opportunity to verify the same. Seller shall not be liable for any fault or defect in the locomotives, except as in this Section and in said specifications and proposal provided.

(7) Reports and Inspection. The Buyers hereby agree to furnish to the Seller, if requested, once in every year as long as this Agreement shall be in force, an accurate inventory of the Equipment in actual service, the numbers and the description of such Equipment as may have been destroyed and replaced by other, and the then location of said Equipment. In addition thereto, the Buyers agree to furnish to the Seller, if requested, once in each year, as long as this Agreement shall remain in force, a report of inspection by the Buyers' Chief Mechanical Officer, or, if the Seller shall so request, by a competent disinterested party, satisfactory to the Seller, certifying that said Equipment has been maintained, and is, in good order and repair.

The Buyers shall promptly and fully inform the Seller of any loss or destruction of any of the Equipment and of any substantial repairs made or being made upon it or any of it. If requested by the Seller, the Buyers shall furnish to the Seller a report of the Buyers' Chief Mechanical Officer, or, if the Seller shall so request, of a competent disinterested party, satisfactory to the Seller, covering the nature and extent of any damage to the Equipment, and the satisfactory repair thereof.

The Seller shall have the right, but shall be under no obligation, to inspect the Equipment at any reasonable time or times during the continuance of this Agreement. The Buyers agree, in so far as they may legally do so, to supply free transportation over their lines to designated agents of the Seller for the purpose of enabling such agents to reach the point or points where the Equipment is in operation, for the purpose of making such inspection or of assisting and instructing the employees of the Buyers in the proper operation and maintenance of their Equipment.

(8) Use and Location. The Buyers agree that after the delivery of any of the equipment and at all times during the continuance of this Agreement, such Equipment will be kept, maintained and used solely by the Buyers upon the lines of railroad owned and operated by them in the States of Illinois, Indiana, Iowa, Wisconsin, Minnesota, Michigan, North Dakota, South Dakota, Kansas, Missouri, Nebraska, Montana, Idaho and Washington.

(9) Prohibition against Liens. The Buyers hereby agree to pay or satisfy and discharge any and all sums claimed by any party by, through or under the Buyers and their successors or substitutes or assigns which, if unpaid, might become a lien or a charge upon the Equipment or any of it, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

(10) Indemnities and Guaranties. The Buyers hereby agree to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment or the use or operation thereof. Said covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the Equipment, as provided in Section 3 hereof.

The Buyers will bear the risk, and shall not be released from their obligations hereunder in the event of any damage to, or the destruction or loss of, any or all of any damage to, or the destruction or loss of, any or all of the Equipment; provided, however, that the Seller and any successor or successors to its manufacturing property and business shall not, as to any of the Equipment, be relieved from its guaranty covering material and workmanship set forth in Section 6 hereof or in the specifications hereinbefore referred to. Seller for itself and any successor or successors to its manufacturing property and business, also agrees to save, indemnify and keep harmless the Buyers from and against any and all royalties, damages, claims, suits, judgments and costs that may arise in the use of any patented article on the Equipment at the time of delivery, except with regard to any appliances, devices or materials specified or required by the Buyers and not manufactured by the Seller; provided, that the Seller shall not be obligated unless it shall be promptly notified of any action for, or threat or claim of such infringement, actual or alleged, coming to the notice of Buyer and be permitted, at its own expense, to conduct the defense against the same and be given access to such evidence in the possession of Buyers as may be necessary for such defense.

(11) ASSIGNMENTS BY THE SELLER. All or any of the rights of the Seller under this Agreement, including the right to receive the payments herein provided to be made

by the Buyers, may be assigned by the Seller 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 the Seller or the successor or successors to its manufacturing property and business from, any of the obligations of the Seller to construct and deliver the Equipment herein to be delivered in accordance with the specifications, or to respond to its guaranties, warranties and indemnities, contained in Sections 1, 6 and 10 hereof.

Upon any such assignment the assignor shall give written notice to the Buyers, together with a counterpart or conformed copy of such assignment, stating the identity and postoffice address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Seller's right, title and interest in and to the Equipment and each and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Buyers of the notification of any such assignment, all payments thereafter to be made by the Buyers hereunder shall, to the extent so assigned, be made to the assignee.

In the event that this Agreement is assigned by the Seller as hereinbefore provided, the aforesaid promissory notes, if any have been executed and delivered, shall likewise be assigned, without recourse, by the Seller; and the rights of such assignee to the entire unpaid purchase price, or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Seller or the successors to its manufacturing business in respect of the Equipment or the manufacture, delivery, guaranty or warranty thereof, or in respect of any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyers by the Seller or the successors to its manufacturing business. Any and all such obligations, however so arising, shall be and remain enforceable by the Buyers against and only against the Seller and the successor or successors to its manufacturing property and business, and shall not be enforceable against any party or parties in whom title to the Equipment or any of it, or the rights of the Seller hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

In the event of any such sale, transfer or assignment, or successive sales, transfers or assignments, ~~or successive sales, transfers or assignments~~ by the Seller, of title to any of the Equipment and of the Seller's rights hereunder in respect thereof, the Buyers shall, whenever requested by such vendee, transferee or assignee, change the name plates to be attached on both sides of each unit of the Equipment so as to indicate the title of such vendee, transferee or assignee to such equipment and its succession to the rights of the Seller hereunder, such plates to bear such words or legend as shall be specified by said vendee, transferee or assignee. The cost of obtaining and attaching the first series of such substituted plates shall be borne by the Seller. The cost of obtaining and attaching plates in connection with any subsequent assignment shall be borne by such subsequent vendee, transferee or assignee.

The term "Seller" whenever used in this Agreement means, before any assignment of all or any rights of the Seller hereunder as hereinbefore provided in this Section 11, Fairbanks, Morse & Co., and after any such assignment, the assignee or assignees for the time being of all of such rights.

(12) Successors to and Assignments by the Buyers. The Buyers hereby represent and warrant that their execution of this Agreement and their assumption and undertaking

of the obligations, dutes and liabilities hereof, have been expressly authorized by an order of the District Court of the United States for the Northern District of Illinois, Eastern Division, entered June 22, 1945, in a certain proceeding therein pending entitled "In the Matter of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor" - In Proceedings for the Reorganization of a Railroad, Docket No. 60463. Said order further provides that as a condition to the termination of the trusteeship of said Railroad, whether pursuant to a plan of reorganization or otherwise, all the obligations then existing or to accrue of the Buyers under this Agreement, shall be assumed as a general obligation by said Railroad or by any other corporation or any receiver or receivers in equity that shall succeed to the Buyers in the possession of not less than 75% of the owned lines of railroad comprising the Buyers' estate. Said order further provides that in case of any sale or conveyance of not less than 75% 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 or to disaffirm the same (but if acquiring not less than 75% 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, provided such transferee corporation shall assume, as a general obligation, all the obligations of the Buyers under this Agreement). Said order further provides that in case any corporation, or any receiver or receivers in equity, shall so succeed the Buyers in the possession of not less than 75% of all of said owned lines of railroad, and shall assume, as a general obligation, all the obligations of the Buyers then existing and to accrue under this Agreement, the Buyers shall thereupon be relieved from any further liability under or in respect of this Agreement. Said order further provides that in the event that upon the consummation of a plan of reorganization, or upon the dismissal or termination of said proceeding, neither the Debtor nor any corporation, or any receiver or receivers in equity, shall alone succeed to the possession of 75% of all of said owned lines of railroad, then all of the unpaid installments of the purchase price hereunder, together with accrued interest thereon, and all of the other obligations and liabilities of the Buyers hereunder, shall become immediately due and payable on the date of such consummation, dismissal or termination, and that the Court will make such provision for the payment thereof as will be equitable.

The Buyers covenant and agree that they will not sell, assign, transfer or otherwise dispose of their rights under this Agreement, nor transfer possession of said Equipment to any other firm, person or corporation without first obtaining the written consent of the Seller to such sale, assignment or transfer; provided, however, that this provision shall not apply to any transfer upon the termination of said trusteeship if said transfer is effected in the manner hereinbefore provided in this Section 12.

The Buyers hereby covenant and agree that they will not pledge, hypothecate or in any way encumber, or permit the encumbrance of, any part or all of said Equipment.

The term "Buyers" whenever used in this Agreement means, before any assignment of the rights of the Buyers hereunder as hereinbefore provided in the second preceding paragraph of this Section 12, Henry A. Scandrett, Walter J. Cummings and George I. Haight, as Trustees aforesaid, as well as any successor or additional Trustees, and not individually, and after any such assignment shall include said Trustees and any assignees thereof, except only in so far as the Seller may specifically, in writing relieve the Trustees or any of them or any such assignee from the obligations hereof as above provided.

(13) Defaults and Acceleration. In the event that any one or more of the following events of default shall occur, to-wit:

(a) The Buyers shall fail to pay in full when due any installment of principal or of interest at the time and in the manner hereinbefore contracted to be paid as provided in Section 2 hereof; or

(b) The Buyers shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on their part to be kept and performed;

then at any time after the occurrence of such an event of default, the Seller may, upon written notice to the Buyers, and upon compliance with any legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, together with the unpaid interest thereon, whether the same shall then have fallen due or not, immediately due and payable, without further demand, and thereafter the entire sum shall carry interest at the rate of 4% per annum upon any portion thereof then overdue, from the date of such default.

The Seller may at its election (and, if before sale or before full performance of this Agreement all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable by the Buyers hereunder, other than such part of said purchase price as shall have become due only because of a declaration under this Section as aforesaid, shall have been paid by the Buyers, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then and in every such case the Seller shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by notice to the Buyers in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such cured default had existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect the Seller's right, upon any other default, or impair any rights or remedies consequent thereon.

(14) Remedies. If the Buyers shall make default as hereinabove provided, then at any time after such notice of declaration of default and during the continuance of such default the Seller may, without further notice or demand except to the extent necessary in order to comply with any legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any of it, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Buyers any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 14 expressly provided, and may remove the same from the use and possession of the Buyers and for such purpose may enter upon the Buyers' premises where the Equipment may be located, and may use and employ in connection with such removal, at the expense of the Buyers, any supplies, services and aids, and any available trackage and other facilities or means of the Buyers, without process of law; and the Buyers shall deliver the Equipment, or any of it, with all replacements, improvements, equipment, attachments and accessories thereof, at Buyers' own cost at such place or places on Buyers' railroad as the Seller may reasonably designate and for such purpose move or draw the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery the Seller shall have the right to store the same upon the premises of the Buyers without charge until the Seller shall desire to remove the same therefrom. And it is hereby expressly agreed by the Buyers that performance of this Agreement to deliver the Equipment as hereinbefore provided is of the essence of the Agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Buyers requiring specific performance hereof.

If the Buyers shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller with or without retaking possession thereof may sell the Equipment, or any of it, and any such replacements, improvements, equipment, attachments and accessories, free from any and all claims of the Buyers, or of any other party claiming by, through or under them at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Seller may fix (unless the Seller shall, as so permitted, specify a different place or places, in which case the sale or sales shall be held at such place or places and at such time or times as the Seller may specify), in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine in compliance with any such legal requirements, provided that the Buyers shall be given written notice of such sale as provided in any such applicable legal requirements, but in any event no less than ten (10) days prior thereto, by telegram or registered mail addressed to the Buyers at Chicago, Illinois. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Buyers to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment or any of it so offered for sale without accountability to the Buyers (except to the extent of surplus money received as hereinafter provided in the last paragraph of this Section 14), and in payment of such purchase price the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Buyers hereunder.

Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder shall impair any such power or remedy, or shall be construed to be a waiver of any default, or any acquiescence therein.

If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyers shall have the right after all sums due hereunder to the Seller shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyers free from any further liabilities or obligations to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Buyers shall pay the amount of such deficit to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyers.

(15) Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any State or which by any applicable law of any State would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable State law may be waived they are hereby waived by the Buyers to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

(16) Extension Not a Waiver. Any extension of time granted by the Seller to the Buyers for the payment of any sum due under this Agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(17) Recording. The Buyers shall cause this Agreement to be filed, registered and recorded wherever required for the proper protection of the Seller's title to the Equipment and any replacement or replacements, and its rights under this Agreement; and the Buyers 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 the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this Agreement.

(18) Payment of Expenses. The Buyers shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, printing, execution, acknowledgment, filing, registering and recording of this Agreement and of the first assignment or assignments by the Seller of title to the Equipment, and of any instrument supplemental hereto or amendatory hereof.

(19) Execution of Counterparts. This Agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

(20) Section Headings. All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(21) Modification of Agreement. This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire Agreement between the Buyers and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyers and the Seller.

(22) Possession and Use of the Equipment by the Buyers. So long as the Buyers shall not be in default under this Agreement, the Buyers shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad aforesaid from and after the delivery of the Equipment by the Seller to the Buyers, but only upon and subject to all terms and conditions of this Agreement.

(23) Law Governing. As the Equipment covered by this Agreement may be used in various states which may have conflicting laws as to the rights and obligations of the parties hereunder, it is agreed that, irrespective of the place of execution of this Agreement or of the place of delivery and use of the Equipment, all rights and obligations

of the parties hereto to each other under the terms of this Agreement, shall be governed by the laws of the State of Illinois.

(24) Obligations of Railroad Trustees. The obligations of the Railroad Trustees, under and in respect of this Agreement and said promissory notes, are the obligations of the parties of the second 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 second part are Trustees.

IN WITNESS WHEREOF, Fairbanks, Morse & Co. has caused these presents to be executed by its duly elected officers pursuant to lawful resolutions, 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, as aforesaid and not individually, have caused this instrument to be executed in their behalf by one of said Trustees, thereunto duly authorized, all as of the day, month and year first above written.

(CORPORATE SEAL)

FAIRBANKS, MORSE & CO.,

By S. T. KIDDOO
Vice-President.

Attest:

E. T. SANDEEN
Asst. Secretary

Signed, sealed and delivered by Fairbanks, Morse & Co. in the presence of:

M. E. CARTER
M. A. BOYLAN
Attesting Witnesses

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,

By HENRY A. SCANDRETT

Signed, sealed and delivered by HENRY A. SCANDRETT on behalf of 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,)
COUNTY OF COOK.) SS.

I, AGNES PELOSO, 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 16th day of July, 1945, 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 S. T. KIDDOO and E. T. SANDEEN, to me personally known and known to me to be, respectively, a Vice President and an Asst. Secretary of Fairbanks, Morse & Co., 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said S. T. KIDDOO and E. T. SANDEEN, 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 S. T. KIDDOO resides in Chicago in the State of Ill., and that said E. T. SANDEEN, resides in Oak Park in the State of Ill.; that said S. T. KIDDOO is a Vice President and said E. T. SANDEEN is an Asst. Secretary of Fairbanks, Morse & Co., the corporation described in and which executed the within and foregoing instrument in writing; that they, said S. T. KIDDOO, a Vice President, and E. T. SANDEEN, an Asst. 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 a Vice President and an Asst. 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 Oct. 7, 1946.

(NOTARIAL SEAL)

AGNES PELOSO
Notary Public in and for the State of Ill.,
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 AGNES PELOSO 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 4th day of Aug. 1945.

(COUNTY CLERK SEAL)

MICHAEL J. FLYNN COUNTY CLERK

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

I, RUTH E. HALL, 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 3rd day of July, 1945, 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 behalf of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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, seal, execute and deliver this instrument on behalf of said Trustees, and that he signed, sealed, executed and delivered said instrument as his free and voluntary act and deed, as such Trustee, and as the free and voluntary act and deed of said 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 September 1, 1947.

(NOTARIAL SEAL)

RUTH E. HALL
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 RUTH E. HALL 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 4th day of Aug. 1945.

(COUNTY CLERK SEAL)

MICHAEL J. FLYNN COUNTY CLERK

THIS AGREEMENT AND ASSIGNMENT, dated as of June 30, 1945, by and between FAIRBANKS, MORSE & CO., a corporation of the State of Illinois, with an office and place of business in the City of Chicago, Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and SEATTLE-FIRST NATIONAL BANK, a national banking association, having its principal office in the City of Seattle, State of Washington, (hereinafter sometimes referred to as the "Assignee"), as party of the second part; WITNESSETH THAT:

WHEREAS, the Seller 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 sometimes referred to as the "Buyers"), have entered into a Conditional Sale Agreement, dated as of June 25, 1945 (hereinafter sometimes referred to as the "Agreement"), covering the construction and sale by the Seller, and the purchase by the Buyers, on the conditions set forth in said Agreement, of Ten (10) new 1000 HP Diesel Electric Switching Locomotives, bearing Buyers' Road Numbers 1803 to 1812, both inclusive, (hereinafter sometimes referred to as the "Equipment"), all as more particularly described in said Agreement, for an aggregate purchase price of Seven Hundred Ninety Thousand, Four Hundred Thirty Dollars ($790,430.00), payable with interest as provided therein; and

WHEREAS, the Assignee has agreed to purchase the rights of the Seller under said Agreement, in and to the said Equipment and the payments therefor, as provided in said Agreement, and the Seller has agreed to assign the same to the Assignee;

NOW, THEREFORE, for value received, and in consideration of the acceptance of this Assignment by said Assignee, upon the terms and conditions hereinafter set forth, it is agreed:

1. The Seller does hereby sell, assign, transfer and set over unto the Assignee, its successors and assigns, all of the right, title and interest of the Seller under said Agreement in and to said Equipment, and in and to the payments of purchase price and interest thereon to be made by the Buyers, and in and to any sums becoming due under said Agreement (except the right to receive the initial cash payment of Nineteen Thousand, Seven Hundred and Ninety-three Dollars ($19,793.00) for each 1000 HP Diesel Electric Switching Locomotive, said initial cash payment to be made by the Buyers directly to the Seller), together with all of the rights of the Seller in respect thereof, set forth in said Agreement as applying to the Seller thereunder, as therein defined, but without recourse to the Seller, for or on account of any failure of payment or compliance with any of the terms or provisions of said Agreement on the part of the Buyers; provided, however, that this Assignment shall not subject the Assignee to, or relieve the Seller, or any successor or successors to its manufacturing properties and business, from complying with the obligations of the Seller to construct and deliver the Equipment, as in the Agreement provided, or complying with the provisions of Sections 6 and 10 of said Agreement, or relieve the Buyers from their obligations under Sections 4 and 10 of said Agreement; it being understood and agreed, however, that, notwithstanding this Assignment, or any subsequent assignment pursuant to Section 5 hereof, all said obligations of the Seller to the Buyers, in respect of the Equipment, shall be and remain enforceable by the Buyers, their successors and assigns, against, and only against, the Seller, and any successor or successors to its manufacturing properties and business. In furtherance of this Assignment and transfer, the Seller does hereby authorize and empower the Assignee to ask, demand, sue for, collect, receive and enforce payments to be made, and compliance, on the part of the Buyers, with the terms and provisions of said Agreement in respect of said Equipment, but in the name of, and at the expense and liability, and for the sole benefit of the Assignee.

2. From time to time, as each unit of said Equipment is delivered to and accepted by the Buyers, the Assignee shall pay, and it hereby covenants and agrees to pay, to the Seller, in lawful money of the United States, the sum of Fifty-nine Thousand, Two Hundred Fifty Dollars ($59,250.00) for each 1000 HP Diesel Electric Switching Locomotive, so delivered, upon receipt of a duplicate of the Seller's invoice, covering each locomotive so accepted, showing receipt by the Seller of the initial payment hereinabove referred to, and of Certificate of Acceptance signed by the Buyers' Chief Mechanical Officer, or his duly authorized representative, stating that the unit of equipment covered by such Certificate of Acceptance has been delivered to and accepted by him on behalf of the Buyers as conforming in all respects to the terms of the Agreement, and that, at the time of such delivery, there was attached to each side of each unit of said equipment, a metal plate indicating the Seller as Owner, it being the intention of the parties to provide, by this Assignment, that as each unit of said Equipment is shipped from the Seller's Works at Beloit, Wisconsin, on or before December 31, 1945, and is delivered to and accepted by the Buyers, the Seller shall receive from the Assignee the aforesaid balance of the purchase price. Assignee shall pay to Seller the accrued interest on the aforesaid balance of purchase price, from the date of acceptance of each locomotive to the date of payment by Assignee.

Upon receipt by the Seller from the Assignee of the balance of the purchase price as aforesaid, the Seller warrants that there will be plainly, permamently and conspicuously placed, fastened and maintained, on each side of each unit of said equipment, in place of the aforesaid plate indicating the Seller as Owner, a metal plate bearing the following words:

"SEATTLE-FIRST NATIONAL BANK, OWNER BY ASSIGNMENT FROM FAIRBANKS, MORSE & CO., MANUFACTURER AND PRIOR OWNER."

3. It is understood and agreed, that the obligation of the Assignee to pay the purchase price of each unit of said Equipment, shall only extend to such unit of said Equipment as shall be shipped from Seller's Works at Beloit, Wisconsin, on or before December 31, 1945, and delivered to and accepted by the Buyers, and that the duty of the Assignee to pay the balance of the purchase price of any unit of said Equipment not so shipped, delivered and accepted, shall absolutely cease.

4. The Seller represents and warrants to the Assignee, its successors and assigns, that said Agreement was lawfully executed for a valid consideration, that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto.

The Seller covenants and agrees that it will construct said Equipment in full and complete accordance with the Agreement, and that it will deliver the same, upon completion thereof, to the Buyers, free of all liens and encumbrances, and in accordance with the provisions of said Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each and all of the covenants and conditions of said Agreement, set forth to be performed and complied with by the Seller. The Seller further covenants and agrees that it has good and lawful right to sell the said Equipment as aforesaid; and that it will warrant and defend the same against the lawful demands of all persons whomsoever, based on claims originating prior to the delivery of said Equipment by the Seller to the Buyers; all subject, however, to the provisions of said Agreement and the rights of the Buyers thereunder.

5. If a promissory note or notes are issued to the Seller by the Buyers under said Agreement, not in payment of the indebtedness or obligation of the Buyers for the payment of the purchase price of said Equipment, but solely as further evidence of said

indebtedness, the Seller agrees to endorse, without recourse, said promissory note or notes, and deliver them to the Assignee; provided, however, that said promissory notes may be issued directly to the Assignee by the Buyers.

The Assignee agrees that all partial payments of the purchase price indebtedness provided in said Agreement shall correspondingly reduce said indebtedness under said promissory note or notes, and that payment upon either said Agreement or said promissory note or notes shall constitute payment on the other, and that there shall be but a single recovery against Buyers on said Agreement and said promissory note or notes, and said recovery shall be limited to the amount of the principal, with interest thereon, remaining unpaid on said Agreement and said promissory note or notes.

The Assignee hereby agrees to accept the aforementioned note or notes as further evidence, but not in payment, of the Buyers' obligation to pay the purchase price of the equipment so conditionally sold. The Assignee agrees that it will not assign or transfer its interest in said Agreement, or in said Equipment, without transferring the said promissory note or notes to the same party or parties, and it will not endorse, transfer or assign said promissory note or notes without also assigning its interest in said Agreement, including its title to said Equipment, to the same party or parties. The Assignee further agrees not to assign its interest in said Agreement or the title to said Equipment, unless its assignee shall, by the terms of the assignment or otherwise, assume and become bound by such of the provisions of said Agreement as an assignee is required to assume and become bound by under the terms of said Agreement. The Assignee further agrees that it will not endorse or transfer said note or notes or assign its interest in said Agreement or the title to the Equipment, without requiring of the endorsee, assignee or transferee, an agreement similar to that made by the Assignee in this Section.

6. The rights of the Assignee to the entire unpaid purchase price of said locomotives shipped from Seller's Works at Beloit, Wisconsin, on or before December 31, 1945, and delivered to and accepted by the Buyers, and interest thereon, as well as any other rights as may be so assigned hereunder, shall not be subject to any defense, offset, counterclaim or recoupment whatsoever arising out of any breach of any obligation of Seller, or the successor or successors to its manufacturing properties and business, in respect of the construction or delivery of the Equipment, or under Sections 6 and 10 of said Agreement, nor subject to any defense, offset, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Buyers by Seller, or the successor to its manufacturing business.

7. The Seller agrees to indemnify, save and keep harmless the Assignee from and against any and all royalties, damages, claims, suits, judgments and costs that may arise because of the claim that the use of any article in the construction of the Equipment, and thereon at the time of delivery thereof (except any design or articles specified or required by the Buyers and not manufactured by the Seller), infringes any patent; provided, that the Seller shall not be obligated unless it shall be promptly notified of any action for, or threat or claim of such infringement, actual or alleged, coming to the notice of Assignee and be permitted, at its own expense, to conduct the defense against the same and be given access to such evidence in the possession of Assignee as may be necessary for such defense.

8. This Agreement and Assignment may be simultaneously executed in two 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.

9. It is agreed that, irrespective of the place of execution of this Agreement and Assignment, all rights and obligations hereunder of the parties hereto shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Assignment to be duly executed by their respective proper officers and their respective seals to be hereunto affixed, duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant Cashiers all as of the day, month and year first herein written.

(CORPORATE SEAL)

FAIRBANKS, MORSE & CO.,

By S. T. KIDDOO
Vice President.

Attest:

E. T. SANDEEN
Assistant Secretary.

Signed, sealed and delivered by Fairbanks, Morse & Co. in the presence of:

M. E. CARTER
M. A. BOYLAN
Attesting Witnesses.

(CORPORATE SEAL)

SEATTLE-FIRST NATIONAL BANK,

By F. E. JEROME
Vice President.

Attest:

F. C. JENNER
Assistant Cashier

Signed, sealed and delivered by Seattle-First National Bank, in the presence of:

BARTLETT HOOPER
K. A. SPENCE
Attesting Witnesses.

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

I, AGNES PELOSO, 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 ..... day of ....., 1945, 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 S. T. KIDDOO and E. T. SANDEEN, to me personally known and known to me to be, respectively, a Vice President and an Asst. Secretary of Fairbanks, Morse & Co., 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said S. T. KIDDOO and E. T. SANDEEN, 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 S. T. KIDDOO resides in Chicago in the State of Ill., and that said E. T. SANDEEN resides in Oak Park in the State of Ill.; that said S. T. KIDDOO is a Vice President and said E. T. SANDEEN is an Asst. Secretary of Fairbanks, Morse & Co., the corporation described in and which executed the within and foregoing instrument in writing; that they, said S. T. KIDDOO, a Vice President, and E. T. SANDEEN, an Asst. 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 a Vice President and an Asst. 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 Oct.7, 1946.

(NOTARIAL SEAL)

AGNES PELOSO
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 AGNES PELOSO 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 4th day of Aug. 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF WASHINGTON,)
COUNTY OF KING.) SS.

I, HARVARD PALMER, 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 July, 1945, 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. JEROME and F. C. JENNER, to me personally known and known to me to be, respectively, Vice President and Assistant Cashier of Seattle-First National Bank, the 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. JEROME and F. C. JENNER, 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. JEROME resides in SEATTLE in the State of Wash., and that said F. C. JENNER resides in Seattle in the State of Wash.; that said F. E. JEROME is Vice President and said F. C. JENNER is Assistant Cashier of Seattle-First National Bank, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said F. E. JEROME, Vice President, and F. C. JENNER, Assistant Cashier, know the corporate seal of said association; that the seal affixed to said instrument as the seal of said association is such corporate seal; that it was so affixed thereto by authority of said 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 Cashier in behalf of said association 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 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 association and that said 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 King, State of Wash., this the day and year in this my certificate first above written.

My commission as such Notary Public expires May 26, 1947.

(NOTARIAL SEAL)

HARVARD PALMER
Notary Public in and for the State of Wash., County of King.

STATE OF WASHINGTON,)
COUNTY OF KING,) SS.

I, NORMAN R. RIDDELL, County Clerk of King County, and ex-officio Clerk of the Superior Court, of the State of Washington, for the County of King, the same being a Court of Record, and having a Clerk and Seal, do hereby certify that Harvard Palmer, the person whose name is subscribed to the annexed acknowledgment, certificate of proof or affidavit, and before whom the same was taken, was at the date thereof, and is now a Notary Public in and for the said State, duly appointed and commissioned; that by virtue of his said office, he is authorized to take acknowledgments and proofs of deeds or conveyances of land, tenements, hereditaments, mortgages and other instruments in writing required to be recorded or acknowledged in said State, and to administer oaths.

I DO FURTHER CERTIFY that I am acquainted with the handwriting of said Notary Public and the name subscribed to the said annexed acknowledgment, certificate or proof or affidavit, is his proper and genuine signature, and the same is executed according to the laws of the State of Washington, which do not require the impression of the seal of such Notary Public to be filed in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court at Seattle, King County, Washington, this 30th day of July, A. D., 1945.

(COURT SEAL)

NORMAN R. RIDDELL, Clerk
By MARY REPORS, Deputy

STATE OF WISCONSIN)
DEPARTMENT OF STATE) ss.

Received this 9th day of August A. D. 1945 at 9 o'clock A. M. and recorded in Vol. 38 of R. R. Mtgs. on page 241-258. ✓

FRED R. ZIMMERMAN
Secretary of State

ST# 7246 DEED # 65411

INDEXED

(Fee $5.50 for 3 documents)

DEED

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

TO

RAHR MALTING CO.

DATED JULY 28, 1945

****

THIS INDENTURE made this 28th day of July, A. D., Nineteen Hundred and Forty-five between CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation of the State of Wisconsin, party of the first part, and RAHR MALTING CO., a corporation, with headquarters at Manitowoc, Wisconsin, party of the second part,

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of FORTY THOUSAND DOLLARS ($40,000.00) in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has remised, released, conveyed and quit-claimed, and by these presents does remise, release convey and quit-claim unto the said party of the second part, its successors and assigns forever, all interest which the said party of the first part has in and to the following described property situated in the City of Manitowoc, County of Manitowoc and State of Wisconsin, more particularly described as follows, to-wit:

A tract or parcel of land, including within its boundaries all of Lots One (1) to Six (6), inclusive, in Block Two Hundred and Twenty-one (221) and all of Lots One (1) and Two (2) in Block Two Hundred and Twenty-two (222) as said lots are laid down and shown upon the recorded plat of said City of Manitowoc, the vacated portion of Lake Street (formerly Fifth Street) lying between the aforesaid Blocks Two Hundred and Twenty-one (221) and Two Hundred and Twenty-two (222), a part of vacated Quay Street lying southerly of said Block Two Hundred and Twenty-two (222), together with the accretions to and lying easterly of said Block Two Hundred and Twenty-two (222) and easterly of vacated Quay Street, which said tract or parcel of land is bounded as follows:

Beginning at the point of intersection of the East line of Sixth Street, with the South dock line of the Manitowoc River; thence South along said East line of Sixth Street to the North line of Quay Street; thence East along said North line of Quay Street to an intersection with the East line of Lake Street; thence South along said East line of Lake Street twenty-four and five-tenths (24.5) feet, more or less, to an iron pipe set at the northwesterly corner of that certain tract or parcel of land conveyed by Charles M. Thomson, as Trustee of the property of Chicago and North Western Railway Company, and Chicago and North Western Railway Company to The C. Reiss Coal Company by deed dated May 23, 1942, which said iron pipe is fifty-five and five-tenths (55.5) feet north, measured along said east line of Lake Street from an iron pipe set at the point of intersection of said street line with the south line of Quay Street, as extended easterly across said Lake Street; thence northeasterly along a line making an angle of Ninety-five degrees eight minutes (95°8') from south to east, with said east line of Lake Street and being along the northerly line of the tract or parcel of land so conveyed by the aforesaid deed of May 23, 1942, a distance of One hundred eight and six-tenths (108.6) feet; thence southeasterly along a line making an angle of twelve degrees fifty-nine minutes (12°59') to the right with an extension of the last described course a distance of three hundred forty-five and seventeen one-hundredths (345.17) feet to the point of an angle in the

U.S. Revenue Stamps totaling $44.00 attached to document.

easterly face of the dock along the westerly side of the ferry and coal dock slip; thence northwesterly along the easterly face of the dock along the westerly side of said ferry and coal dock slip to a point where it intersects the said south dock line of the Manitowoc River; running thence westerly along said last named dock line to its intersection with said east line of Sixth Street which is the point of beginning of the land hereinabove described.

EXCEPTING AND RESERVING, however, unto the Chicago and North Western Railway Company, its successors and assigns, the most southerly spur or industry railroad track, as now located and constructed upon and over a portion of the land hereinabove described, said track being designated by said Railway Company as Track Number 177: together with a strip of land for right of way therefor of sufficient width for the safe and proper operation and maintenance of said track; also excepting and reserving unto said Railway Company, its successors, assigns, agents and patrons driveway rights along the northerly side of said track and for such purpose a strip of land along said northerly side of sufficient width for the accomodation of vehicles in going to and from, or in loading or unloading, cars standing upon said track; upon condition, however, that whenever, in the good faith judgment of the Railway Company, its successors and assigns, said Track Number 177 is no longer needed for the loading, unloading, storage or movement of cars, or for any other railroad purpose for which it shall have been used and any and all such use shall have been permanently abandoned and discontinued, or in the event that said track shall have been permanently removed from the premises, then and in such event the rights herein excepted and reserved shall terminate and cease to exist and full legal title shall thereupon vest in said Rahr Malting Co., its successors or assigns, except that the said track shall be and remain the property of the Railway Company, its successors or assigns, with full right to remove the same and to go and be upon the aforesaid premises for the purpose of such removal.

This conveyance is made subject, however, to the rights of tenants under the following leases:

1. A lease dated February 18, 1939 from Charles P. Megan, Trustee of the property of Chicago and North Western Railway Company running to Pauly and Pauly Cheese Company, a Corporation, of Manitowoc, Wisconsin, as lessee for a term of ten (10) years from March 1, 1939, covering approximately twenty thousand, four hundred seventy (20,470) square feet of floor space in the warehouse located along the river front on a portion of the hereinabove described premises.
2. A lease dated February 2, 1939 and running from said Charles P. Megan, Trustee of the property of Chicago and North Western Railway Company to said Pauly and Pauly Cheese Company, a corporation, of Manitowoc, Wisconsin, as lessee for an extended term to and including January 29, 1950, subject, however, to termination upon thirty (30) days notice, covering approximately six thousand (6000) square feet of the premises hereinbefore described.
3. A lease dated February 6, 1943 running from Charles M. Thomson, Trustee of the property of Chicago and North Western Railway Company to said Pauly and Pauly Cheese Company, a corporation, of Manitowoc, Wisconsin, as lessee for an extended term to and including March 1, 1949 also subject to termination on thirty (30) days notice, covering approximately 4800 square feet of floor space in the aforesaid warehouse; and

4. A lease dated December 9, 1936 running from Charles P. Megan, Trustee of the property of Chicago and North Western Railway Company to Ted S. Serio and Sam Feldman of Manitowoc, Wisconsin, as lessees for an extended term to and including October 15, 1946 covering approximately ten thousand five hundred and eighty-five (10,585) square feet of land, being a portion of the premises hereinbefore described but subject likewise to termination on thirty (30) days notice.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances and privileges thereunto belonging, or in any wise thereunto appertaining, as to all estate, right, title, interest and claim whatever of the said party of the first part, either in law or equity, to the only proper use, benefit and behoof of the said party of the second part, its successors and assigns forever.

IN TESTIMONY WHEREOF the said CHICAGO AND NORTH WESTERN RAILWAY COMPANY has hereunto caused its corporate seal to be affixed, and this instrument to be signed by its President and attested by its Secretary the day and year first hereinabove written.

(CORPORATE SEAL)

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

SIGNED, SEALED AND DELIVERED IN PRESENCE OF:

BY R. L. WILLIAMS
PRESIDENT

ALICE L. MERRITT

RUTH H. JACKISCH

ATTEST: BARRET CONWAY
SECRETARY

APPROVED: H. S. LARIMER
LAND COMMISSIONER.

COUNTERSIGNED:

H. D. BARNES
ASS'T COMPTROLLER

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, D. M. NEILL, A Notary Public in and for the County of Cook and State of Illinois, do hereby certify that on this 10th day of August, A. D., Nineteen Hundred and forty-five, before me, the subscriber, personally appeared R. L. WILLIAMS and BARRET CONWAY, President and Secretary, respectively, of the Chicago and North Western Railway Company, a corporation, and on this same day also appeared before me by its said officers the said Chicago and North Western Railway Company, being known to me to be the corporation whose name is subscribed to the foregoing instrument and which executed the same as the party of the first part; that R. L. WILLIAMS and BARRET CONWAY are personally known to me to be the President and Secretary, respectively, of said Chicago and North Western Railway Company, and the identical persons whose names are subscribed to the foregoing instrument as President and Secretary of said corporation; that said R. L. Williams and Barret Conway then and there severally acknowledged to me that they signed, sealed and delivered the foregoing instrument as President and Secretary, respectively, of said Chicago and North Western Railway Company and in behalf of said corporation and by order of its Board of Directors, and that they were President and Secretary respectively, of said corporation at the time of the execution of said foregoing instrument, and that the seal affixed to said instrument is the corporate seal of the Chicago and North Western Railway 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 R. L. Williams and Barret Conway then and there further severally acknowledged to me that they executed said instrument as their free and voluntary act and deed as such President and Secretary, respectively, and as the free and voluntary act and deed of said Chicago and North Western Railway Company, and for the uses and purposes in said instrument set forth; and at the same time said R. L. Williams and Barret Conway, being by me severally and duly sworn, did severally depose and say that said Chicago and North Western Railway Company is a corporation; that they are and at the time of the execution of the foregoing instrument were President and Secretary, respectively, of said Chicago and North Western Railway Company, the corporation described in and which executed the foregoing instrument; that they knew the seal of said corporation; that they signed and executed the foregoing instruments President and Secretary, respectively, of said corporation and in its behalf and by order and authority of its Board of Directors; and that the seal affixed to said instrument is the corporate seal of the Chicago and North Western Railway 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 to be the corporate seal of the Chicago and North Western Railway Company.

(NOTARIAL SEAL)

I further certify that the said foregoing instrument was subscribed and sworn to before me by the said R. L. Williams and Barret Conway the day and year below written.

In testimony whereof, I have hereunto set my hand and affixed my official seal as Notary Public for the County of Cook and State of Illinois on this 10th day of August, A. D., 1945.

D. M. NEILL
NOTARY PUBLIC, COOK COUNTY, ILLINOIS.

MY COMMISSION WILL EXPIRE FEB.14, 1949

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS. Received this 17th day of Sept. A.D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of R.R. Mtgs. on page 259-261.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

INDEXED

DEED OF RELEASE

(Under Chicago and North Western Railway Company's Indenture of Mortgage and Deed of Trust, dated January 1, 1939 and amended by First Supplemental Indenture, dated January 1, 1945)

THE FIRST NATIONAL BANK OF CHICAGO (TRUSTEE)

TO

RAHR MALTING CO.

DATED AUGUST 24, 1945

****

KNOW ALL MEN BY THESE PRESENTS that THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, duly organized and existing under the laws of the United States of America (hereinafter referred to as the "Trustee") as Trustee under Indenture of Mortgage and Deed of Trust, dated as of January 1, 1939 between Chicago and North Western Railway Company, a corporation duly organized under the laws of the State of Wisconsin, and said The First National Bank of Chicago, recorded on June 6, 1944 in Volume 37 of Railroad Mortgage, page 165 et seq. in the office of the Secretary of State of the State of Wisconsin, as amended by First Supplemental Indenture dated as of January 1, 1945 between said parties, recorded on April 7, 1945 in Volume 38 of Railroad Mortgages, page 170 et seq. in said office of the Secretary of State of the State of Wisconsin, FOR AND IN CONSIDERATION of the payment of the sum of One Dollar ($1.00) and other good and valuable considerations, the receipt whereof is hereby acknowledged, does hereby RELEASE, REMISE, CONVEY and QUIT-CLAIM unto RAHR MALTING CO., a corporation, with headquarters at Manitowoc, Wisconsin, all of the right, title and interest and every claim and demand whatsoever which said Trustee may now or hereafter have or claim to have acquired in, under, through or by virtue of said Indenture of Mortgage and Deed of Trust, and said First Supplemental Indenture, in and to the property situated in the City of Manitowoc, County of Manitowoc and State of Wisconsin, and described as follows, to-wit:

A tract or parcel of land, including within its boundaries all of Lots One (1) to Six (6), inclusive, in Block Two Hundred and Twenty-One (221) and all of Lots One (1) and Two (2) in Block Two Hundred and Twenty-two (222) as said lots are laid down and shown upon the recorded plat of said City of Manitowoc, the vacated portion of Lake Street (formerly Fifth Street) lying between the aforesaid Blocks Two Hundred and Twenty-one (221) and Two Hundred and Twenty-two (222), a part of vacated Quay Street lying Southerly of said Block Two Hundred and Twenty-two (222), together with the accretions to and lying easterly of said Block Two Hundred and Twenty-two (222) and easterly of vacated Quay Street, which said tract or parcel of land is bounded as follows:

Beginning at the point of intersection of the East line of Sixth Street, with the South dock line of the Manitowoc River; thence South along said East line of Sixth Street to the North line of Quay Street; thence East along said North line of Quay Street to an intersection with the East line of Lake Street; thence South along said East line of Lake Street twenty-four and five-tenths (24.5) feet, more or less, to an iron pipe set at the northwesterly corner of that certain tract or parcel of land conveyed by Charles M. Thomson, as Trustee of the property of Chicago and North Western Railway Company, and Chicago and North Western Railway Company to The C. Reiss Coal Company by deed dated May 23, 1942, which said iron pipe is fifty-five and five-tenths (55.5) feet north, measured along said east line of Lake Street from an iron pipe set at the point of intersection of said street line with the south line of Quay Street, as extended easterly across said Lake Street; thence northeasterly along a line making an angle of

Ninety-five degrees eight minutes (95°8') from south to east, with said line of Lake Street and being along the northerly line of the tract or parcel of land so conveyed by the aforesaid deed of May 23, 1942, a distance of One Hundred Eight and six-tenths (108.6) feet; thence southeasterly along a line making an angle of twelve degrees fifty-nine minutes (12°59') to the right with an extension of the last described course a distance of three hundred forty-five and seventeen one-hundredths (345.17) feet to the point of an angle in the easterly face of the dock along the westerly side of the ferry and coal dock slip; thence northwesterly along the easterly face of the dock along the westerly side of said ferry and coal dock slip to a point where it intersects the said south dock line of the Manitowoc River; running thence westerly along said last named dock line to its intersection with said east line of Sixth Street which is the point of beginning of the land hereinabove described.

EXCEPTING AND RESERVING, however, unto the Chicago and North Western Railway Company, its successors and assigns, the most southerly spur or industry railroad track, as now located and constructed upon and over a portion of the land hereinabove described, said track being designated by said Railway Company as Track Number 177; together with a strip of land for right of way therefor of sufficient width for the safe and proper operation and maintenance of said track; also excepting and reserving unto said Railway Company, its successors, assigns, agents and patrons driveway rights along the northerly side of said track and for such purpose a strip of land along said northerly side of sufficient width for the accomodation of vehicles in going to and from, or in loading or unloading cars standing upon said track; upon condition, however, that whenever, in the good faith judgment of the Railway Company, its successors and assigns, said Track Number 177 is no longer needed for the loading, unloading, storage or movement of cars, or for any other railroad purpose for which it shall have been used and any and all such use shall have been permanently abandoned and discontinued, or in the event that said track shall have been permanently removed from the premmises, then and in such event the rights herein excepted and reserved shall terminate and cease to exist and full legal title shall thereupon vest in said Rahr Malting Co., its successors or assigns, except that the said track shall be and remain the property of the Railway Company, its successors or assigns, with full right to remove the same and to go and be upon the aforesaid premises for the purpose of such removal.

together with all of the appurtenances and privileges thereunto belonging or appertaining.

This instrument shall in no manner affect the lien of said Indenture of Mortgage and Deed of Trust and said First Supplemental Indenture as to the remainder of the property therein described and not hereby specifically released.

IN WITNESS WHEREOF said THE FIRST NATIONAL BANK OF CHICAGO, as Trustee as aforesaid, has caused its name to be signed to this deed of release by one of its Vice Presidents thereunto duly authorized, and its corporate seal to be affixed hereunto and attested by one of its Assistant Secretaries this 24th day of August, A. D. 1945.

(CORPORATE SEAL)

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee as aforesaid,

By ROBERT L. GRINNELL
Vice President.

Attest:

W. S. DAVIS
Assistant Secretary

Witnesses to the signatures of the officers of The First National Bank of Chicago:
William J. Schmus
John Herriott

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, J. DOHERTY, a Notary Public duly commissioned and qualified in and for the County and State aforesaid and residing therein, DO HEREBY CERTIFY, that ROBERT L. GRINNELL and W. S. DAVIS to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of The First National Bank 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 whose names are subscribed to said instrument, appeared before me this day in person, and being first duly sworn by me, did severally depose and say that ROBERT L. GRINNELL resides in Winnetka, Illinois and that W. S. DAVIS resides in Evanston, Illinois and they severally acknowledged to me that they are, respectively, a Vice President and Assistant Secretary of said association; that as such officers they signed, sealed, and delivered said instrument in behalf of said association by authority and order of its Board of Directors as the free and voluntary act and deed of said association, and as their own free and voluntary act; that they know the seal of said association; that the seal affixed to said instrument is the seal of said association; and that said association executed said instrument for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal as such Notary Public, at Chicago, Illinois, this 24th day of August, A. D. 1945.

(NOTARIAL SEAL)

J. DOHERTY
Notary Public in and for the County of Cook in the State of Illinois.

My commission as such Notary Public expires: Mar 10 1047.

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.

Received this 17th day of Sept. A. D. 1945 at 9 o'clock A.M. and recorded in Vol. 38 of Railroad Mtgs. on pages 262-264.

FRED R. ZIMMERMAN
Secretary of State

INDEXED

DEED OF RELEASE

(Under Chicago and North Western Railway Company's Second Mortgage and Deed of Trust, dated January 1, 1939)

CHEMICAL BANK & TRUST COMPANY (TRUSTEE)

to

RAHR MALTING CO.

DATED SEPTEMBER 10, 1945

****

KNOW ALL MEN BY THESE PRESENTS that CHEMICAL BANK & TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York (hereinafter referred to as the "Trustee") as Trustee under Second Mortgage and Deed of Trust, dated as of January 1, 1939, between Chicago and North Western Railway Company, a corporation duly organized under the laws of the State of Wisconsin, and said Chemical Bank & Trust Company, recorded on June 6, 1944 in Volume 38 of Railroad Mortgages on Page 76 et seq. in the office of the Secretary of State of the State of Wisconsin, FOR AND IN CONSIDERATION of the payment of the sum of One Dollar ($1.00) and other good and valuable considerations, the receipt whereof is hereby acknowledged, does hereby RELEASE, REMISE, CONVEY and QUIT-CLAIM unto RAHR MALTING CO., a corporation, with headquarters at Manitowoc, Wisconsin, all of the right, title and interest and every claim and demand whatsoever which said Trustee may now or hereafter have or claim to have acquired in, under, through or by virtue of said Second Mortgage and Deed of Trust in and to the property situated in the City of Manitowoc, County of Manitowoc and State of Wisconsin, described as follows, to-wit:

A tract or parcel of land, including within its boundaries all of Lots One (1) to Six (6), inclusive, in Block Two Hundred and Twenty-One ~~(1) to Six (6), inclusive, in Block Two Hundred and Twenty-One~~ (221) and all of Lots One (1) and Two (2) in Block Two Hundred and Twenty-Two (222) as said lots are laid down and shown upon the recorded plat of said City of Manitowoc, the vacated portion of Lake Street (formerly Fifth Street) lying between the aforesaid Blocks Two Hundred and Twenty-one (221) and Two Hundred and Twenty-two (222), a part of vacated Quay Street lying Southerly of said Block Two Hundred and Twenty-two (222), together with the accretions to and lying easterly of said Block Two Hundred and Twenty-two (222) and easterly of vacated Quay Street, which said tract or parcel of land is bounded as follows:

Beginning at the point of intersection of the East line of Sixth Street, with the Southdock line of the Manitowoc River; thence South along said East line of Sixth Street to the North line of Quay Street; thence East along said North line of Quay Street to an intersection with the East line of Lake Street; thence South along said East line of Lake Street twenty-four and five-tenths (24.5) feet, more or less, to an iron pipe set at the northwesterly corner of that certain tract or parcel of land conveyed by Charles M. Thomson, as Trustee of the property of Chicago and North Western Railway Company, and Chicago and North Western Railway Company to The C. Reiss Coal Company by deed dated May 23, 1942, which said iron pipe is fifty-five and five-tenths (55.5) feet north, measured along said east line of Lake Street from an iron pipe set at the point of intersection of said street line with the south line of Quay Street, as extended easterly across said Lake Street; thence northeasterly along a line making an angle of Ninety-five Degrees Eight Minutes (95°8') from south to east, with said east line of Lake Street and being along the northerly line of the tract or parcel of land so conveyed by the aforesaid deed of May 23, 1942, a distance of One Hundred

Eight and Six-tenths (108.6)feet; thence southeasterly along a line making an angle of Twelve Degrees Fifty-nine Minutes (12°59') to the right with an extension of the last described course a distance of three hundred forty-five and seventeen one-hundredths (345.17) feet to the point of an angle in the easterly face of the dock along the westerly side of the ferry and coal dock slip; thence northwesterly along the easterly face of the dock along the westerly side of said ferry and coal dock slip to a point where it intersects the said south dock line of the Manitowoc River; running thence westerly along said last named dock line to its intersection with said east line of Sixth Street which is the point of beginning of the land hereinabove described.

EXCEPTING AND RESERVING, however, unto the Chicago and North Western Railway Company, its successors and assigns, the most southerly spur or industry railroad track, as now located and constructed upon and over a portion of the land hereinabove described, said track being designated by said Railway Company as Track Number 177; together with a strip of land for right of way therefor of sufficient width for the safe and proper operation and maintenance of said track; also excepting and reserving unto said Railway Company, its successors, assigns, agents and patrons driveway rights along the northerly side of said track and for such purpose a strip of land along said northerly side of sufficient width for the accomodation of vehicles in going to and from, or in loading or unloading cars standing upon said track; upon condition, however, that whenever, in the good faith judgment of the Railway Company, its successors and assigns, said Track Number 177 is no longer needed for the loading, unloading, storage or movement of cars, or for any other railroad purpose for which it shall have been used and any and all such use shall have been permanently abandoned and discontinued, or in the event that said track shall have been permanently removed from the premises, then and in such event the rights herein excepted and reserved shall terminate and cease to exist and full legal title shall thereupon vest in said Rahr Malting Co., its successors or assigns, except that the said track shall be and remain the property of the Railway Company, its successors or assigns, with full right to remove the same and to go and be upon the aforesaid premises for the purpose of such removal.

together with all of the appurtenances and privileges thereunto belonging or appertaining.

This instrument shall in no manner affect the lien of said Second Mortgage and Deed of Trust as to the remainder of the property therein described and not hereby specifically released.

IN WITNESS WHEREOF said CHEMICAL BANK & TRUST COMPANY, as Trustee as aforesaid, has caused its name to be signed to this deed of release by one of its Vice Presidents thereunto duly authorized, and its corporate seal to be affixed hereunto and attested by one of its Assistant Secretaries this 10th day of September, A. D. 1945.

(CORPORATE SEAL)

CHEMICAL BANK & TRUST COMPANY,
as Trustee as aforesaid,

ATTEST:
J. E. HELLIER
Assistant Secretary

By HOWARD B. SMITH
Vice President.

Witnesses to the signatures of the officers of Chemical Bank & Trust Company:
L. R. TILLISON
E. O. STOOTHOFF

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

I, Harold Williams, a Notary Public duly commissioned and qualified in and for the County and State aforesaid and residing therein, DO HEREBY CERTIFY, that Howard B. Smith and J. E. Hellier to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Chemical Bank & Trust Company, the corporation described in and which executed the within and foregoing instrument in writing, and known to me to be the identical persons whose names are subscribed to said instrument, appeared before me this day in person, and being first duly sworn by me, did severally depose and say that Howard B. Smith resides 18 Llewellyn Road, Montclair, N. J. and that J. E. Hellier resides 15 Brook Lane, Great Neck, N. Y. and they severally acknowledged to me that they are, respectively, a Vice President and an Assistant Secretary of said corporation; that as such officers they signed, sealed, and delivered said instrument in behalf of said corporation by authority and order of its Board of Directors as the free and voluntary act and deed of said corporation and as their own free and voluntary act; that they know the seal of said corporation; that the seal affixed to said instrument is the seal of said corporation; and that said corporation executed said instrument for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public, at New York, N.Y. this 10th day of September, A. D. 1945.

(NOTARIAL SEAL)

HAROLD WILLIAMS
NOTARY PUBLIC IN AND FOR THE COUNTY
OF NEW YORK IN THE STATE OF NEW YORK.

HAROLD WILLIAMS
Notary Public, Queens County, No.3073
Certificates Filed in Queens Co. Register's No.164-W-6
New York Co. Clerk's No. 576, Register's No. 322-W-6
Suffolk County Commission Expires March 30,1946

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF STATE)

Received this 17th day of Sept. A.D. 1945 at 9 o'clock A. M. and recorded in Vol. 38 of Railroad Mtgs. on pages 265-267.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

INDEXED

Executed in 18 Counterparts

Counterpart No. 17

Fee $3.30

FIRST SUPPLEMENT TO EQUIPMENT LEASE AND AGREEMENT (SERIES X)
DATED MARCH 1, 1944

BETWEEN

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

AND

THE TRUSTEES OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DATED JULY 30, 1945

****

SERIES X

FIRST SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of March 1, 1944, 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 March 1, 1944, between PAUL B. ROBB and EDWARD J. FRIEDRICH (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 March 1, 1944, 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 March 1, 1944, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series X, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust Certificates), not exceeding in aggregate principal amount $7,260,000; and

Whereas, said Agreement provides, among other things, that in case the actual cost of the railroad equipment therein specially described shall not amount to at least $9,692,300, then, in addition to said railroad equipment, the Vendors shall cause to be built or acquired, if available, and in such event shall sell, assign, transfer and set over, or cause to be sold, assigned, transferred and set over unto the Trustee, (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 $9,692,300; and

Whereas, the actual cost of the equipment specifically described in said Lease does not amount to said estimated cost of $9,692,300; and

Whereas, the Vendors propose to transfer to the Trustee, other new standard gauge railroad equipment, consisting of thirty-five (35) 70-ton, welded steel covered hopper 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 March 1, 1944, 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:

35 70-ton welded steel covered hopper cars, Nos. 99035 to 99069, both inclusive.

2. Article II, Section 1, of said Agreement shall be amended by inserting in the blank space in line 6 thereof, immediately preceding the words "per cent", the figures " 1-7/8"; and Article III, Section 2, of said Agreement shall be amended by inserting in the blank space at the end of line 11 thereof the figures "1-7/8".

3. 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.

4. 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.

5. 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 30th day of July, 1945.

PAUL B. ROBB (L.S.)

EDWARD J. FRIEDRICH (L.S.)

Signed, sealed and delivered by Paul B. Robb and Edward J. Friedrich, in the presence of:

H. J. GROENER

CARL OBERG
Attesting Witnesses

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

(CORPORATE SEAL)

Attest:

F. E. MUSGROVE
Vice-President.

V. P. NELSON
Assistant Secretary

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

H. J. GROENER

CARL OBERG
Attesting Witnesses.

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.

By J. W. SEVERS
Executive Assistant and Comptroller.

Signed, sealed and delivered by J. W. Severs on behalf of Henry A. Scandrett, Walter J. Cummings and George I. Haight, in the presence of:

JOHN J. NORTH

J. P. HYNES
Attesting Witnesses.

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

I, W. G. EVERIST, 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 10th day of September, 1945, 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 Paul B. Robb and Edward J. Friedrich, 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 Paul B. Robb and Edward J. Friedrich 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 9, 1948.

(NOTARIAL SEAL)

W. G. EVERIST
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 W. G. EVERIST 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 13 day of Sept. 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN COUNTY CLERK

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

I, W. G. EVERIST, 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 10th day of September, 1945, 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 V. P. NELSON, 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 an 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 V. P. NELSON, 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 V. P. NELSON resides in Chicago, in the State of Illinois; that said F. E. MUSGROVE is a Vice President and said V. P. NELSON 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 V.P. NELSON, 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 9, 1948

(NOTARIAL SEAL)

W. G. EVERIST
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 W. G. EVERIST 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 13 day of Sept. 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

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

I, RUTH E. HALL, 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 September, 1945, 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 J. W. Severs, Executive Assistant and Comptroller for 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 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 Executive Assistant and Comptroller, in behalf of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said J. W. Severs duly acknowledged to me in the presence of said witnesses that he is duly authorized to sign, seal, execute and deliver this instrument on behalf of said Trustees, and that he signed, sealed, executed and delivered said instrument as his free and voluntary act and deed, as such Executive Assistant and Comptroller, and as the free and voluntary act and deed of said 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 September 1, 1947.

(NOTARIAL SEAL)

RUTH E. HALL
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 RUTH E. HALL 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 13 day of Sept. 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF WISCONSIN)
DEPARTMENT OF STATE)SS.

Received this 19th day of

Sept. A. D. 1945 at 9 o'clock

A. M. and recorded in Vol. 38

of Railroad Mtgs. on page 268-271.

ROBERT C. ZIMMERMAN
Assistant Secretary of State.

INDEXED

Fee $3.25

FIRST SUPPLEMENT TO EQUIPMENT LEASE AND AGREEMENT (SERIES "Y")
DATED APRIL 30, 1945

BETWEEN

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

AND

THE TRUSTEES OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

DATED JULY 30, 1945

****

SERIES Y

FIRST SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1945, 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, 1945, between PAUL B. ROBB and EDWARD J. FRIEDRICH (hereinafter called the Vendors), parties of the first part, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as 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, parties of the third part.

Whereas, by a Lease of Railroad Equipment, dated as of April 1, 1945, 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, 1945, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series Y, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust Certificates), not exceeding in aggregate principal amount $2,100,000; and

Whereas, said Agreement provides, among other things, that in case the actual cost of the railroad equipment therein specifically described shall not amount to at least $2,800,000, then, in addition to said railroad equipment, the Vendors shall cause to be built or acquired, if available, and in such event shall sell, assign, transfer and set over, or cause to be sold, assigned, transferred and set over unto the Trustee, (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 $2,800,000; and

Whereas, the actual cost of the equipment specifically described in said Lease will, when delivered, not amount to said estimated cost of $2,800,000; and

Whereas, the Vendors propose to transfer to the Trustee, other new standard gauge railroad equipment, consisting of fifteen (15) steel cabooses, 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, 1945, 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:

15 steel cabooses, Nos. 02000 to 02014 both inclusive.

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 30th day of July, 1945.

PAUL B. ROBB (L.S.)

EDWARD J.FRIEDRICH(L.S.)

Signed, sealed and delivered by Paul B. Robb and Edward J. Friedrich, in the presence of:

H. J. GROENER
CARL OBERG
Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

(CORPORATE SEAL)

F. E. MUSGROVE
Vice-President.

Attest:

V. P. NELSON
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

H. J. GROENER
CARL OBERG
Attesting Witnesses.

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,

By J. W. SEVERS
Executive Assistant and Comptroller.

Signed, sealed and delivered by J. W. Severs on behalf of Henry A. Scandrett, Walter J. Cummings and George I. Haight, in the presence of:

J. P. HYNES
C. K. BOWE
Attesting Witnesses.

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

I, W. G. EVERIST, 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 10th day of September, 1945, 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 Paul B. Robb and Edward J. Friedrich, 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 Paul B. Robb and Edward J. Friedrich severally duly acknowledged to me in the presence of said witneses 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 9, 1948.

W. G. EVERIST
(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 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 W. G. EVERIST 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 13 day of Sept.1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

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

I, W. G. EVERIST, 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 10th day of September, 1945, 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 V. P. NELSON, 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 an 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 V. P. NELSON, 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 V. P. NELSON resides in Chicago, in the State of Illinois; that said F. E. MUSGROVE is a Vice President and said V. P. NELSON 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 V. P. NELSON, 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 thereinstated 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 9, 1948.

(NOTARIAL SEAL) W. G. EVERIST
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 W. G. EVERIST 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 13 day of Sept.1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk

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

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 6th day of September,1945, 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 J. W. Severs, Executive Assistant and Comptroller for 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 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 Executive Assistant and Comptroller, in behalf of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, as Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and said J. W. Severs duly acknowledged to me in the presence of said witnesses that he is duly authorized to sign, seal, execute and deliver this instrument on behalf of said Trustees, and that he signed, sealed, executed and delivered said instrument as his free and voluntary act and deed, as such Executive Assistant and Comptroller, and as the free and voluntary act and deed of said 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 November 12, 1947.

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 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 B. 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 13 day of September, 1945.

(COUNTY CLERK SEAL) MICHAEL J. FLYNN County Clerk.

STATE OF WISCONSIN)
DEPARTMENT OF STATE) SS.

Received this 19th day of Sept. A. D. 1945 at 9 o'clock A. M. and recorded in Vol. 38 of Railroad Mtgs. on page 272-275.

ROBERT C. ZIMMERMAN
Assistant Secretary of State

C O N S E N T

BY

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

TO

NORTHERN PACIFIC RAILWAY COMPANY

(Effecting Equipment Trusts of 1936 and 1937)

DATED, OCTOBER 1, 1945.

KNOW ALL MEN BY THESE PRESENTS that THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, Trustee (hereinafter referred to as the "Trustee"), for an in consideration of the sum of One Dollar ($1.00) to it paid, the receipt whereof is hereby acknowledged, does hereby CONSENT to the renumbering, as hereinafter set out, by NORTHERN PACIFIC RAILWAY COMPANY (hereinafter referred to as the "Company"), of certain flat cars leased by the Trustee to the Company, together with certain other railroad equipment, by agreements and leases dated July 1, 1936, and May 1, 1937, by which was constituted "NORTHERN PACIFIC RAILWAY EQUIPMENT TRUST of 1936" and "NORTHERN PACIFIC RAILWAY EQUIPMENT TRUST of 1937"; provided, however, that this consent is given on the express condition that it shall not affect in any way the present right, title and interest of the Trustee in and to any of said railroad equipment under or by virtue of the lease agreements and trust agreements above referred to; the renumbering to which the Trustee hereby consents being

(a) the changing of the numbers of flat cars leased under and covered by Northern Pacific Railway Equipment Trust of 1936 from 60250-60499 inclusive to 63000-63249 inclusive.

(b) the changing of the numbers of all of the flat cars but one, leased under and covered by Northern Pacific Railway Company Equipment Trust of 1937 from 60800-61299 inclusive to 63250-63748 inclusive, being 499 flat cars. One of the said 500 flat cars covered by said Equipment Trust of 1937, namely, car 61071, is omitted and not renumbered for the reason that it has been destroyed.

IN WITNESS WHEREOF the said The First National Bank of the City of New York has caused these presents to be signed by its Vice President and its corporate seal to be hereunto affixed and attested by its Trust Officer, this 1st day of October, 1945.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK

By Henry S. Sturgis
Vice President.

Attest: C. R. Beattie
Trust Officer.

In presence of:

T. A. Dooley

R. S. Jackson

UNITED STATES OF AMERICA)
State of New York) ss
County of New York)

BE IT REMEMBERED, and I do hereby certify, that on this 1st day of October, in the year 1945, A. D., in the County of New York, State of New York, before me, the undersigned Notary Public in and for the County of New York, in the State of New York, personally came and appeared Henry S. Sturgis, a Vice President, and C. R. BEATTIE, Trust Officer, of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, both being to me personally known and known to me to be officers of and a Vice President and Trust Officer, respectively, of The First National Bank of the City of New York, 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 Henry S. Sturgis Vice President, resides in the City of Cedarhurst County of Nassau and State of New York; and that the said C. R. BEATTIE, Trust Officer, resides in the City of Rumson, County of Monmouth and State of New Jersey; that they are a Vice President and Trust Officer, respectively, of The First National Bank of the City of New York, 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 the said corporation by its authority and by the authority of its Board of Directors, and said Henry S. Sturgis, Vice President, and said C. R. BEATTIE, Trust Officer, acknowledged said instrument to be the free act and deed of said corporation, and of said Henry S. Sturgis, Vice President, and of said C. R. BEATTIE, Trust Officer, 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 Henry S. Sturgis, Vice President, and said C. R. BEATTIE, Trust Officer, 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 Henry S. Sturgis, Vice President, said that by like order he signed the same as Vice President, and said C. R. BEATTIE, Trust Officer, said that by like order he attested the same as Trust Officer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Thomas A. Collins

THOMAS A. COLLINS, NOTARY PUBLIC, QUEENS CO. CLK'S NO. 369
N. Y. COUNTY CLERK'S NO. 142, REG. NO. 83-C-6
COMMISSION EXPIRES MARCH 30, 1946

State of Wisconsin)
)ss.
Department of State)

Received this 15th day of October, A.D. 1945, at 9:30 o'clock A.M., and recorded in Vol. 38 of Railroad Mortgages on pages 276-277.

ROBERT C. ZIMMERMAN,
Assistant Secretary of State

IN THE

DISTRICT COURT OF THE UNITED STATES

FOR THE NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

In Proceedings for the Reorganization of a Railroad

In the Matter of

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, *Debtor*

No. 60463

ORDER APPROVING CHARTER AMENDMENTS AND AUTHORIZING AND DIRECTING THE FILING OF A CERTIFIED COPY OF THE PLAN OF REORGANIZATION, INCLUDING SAID CHARTER AMENDMENTS, WITH THE SECRETARY OF STATE OF THE STATE OF WISCONSIN, AND PAYMENT OF NECESSARY FEES AND TAXES IN CONNECTION WITH SUCH FILING.

This cause coming on to be heard on the petition of the Reorganization Committee for an order authorizing and directing the amendment of the Debtor's charter and articles of incorporation and the payment of necessary fees and taxes in connection therewith, and due notice of said petition and of this hearing having been served and published as directed in the order entered by the Court in these proceedings on November 16, 1945, the Court, being fully advised in the premises, finds:

(a) The Reorganization Committee has determined, subject to the requisite approval of the Interstate Commerce Commission and this Court, that the reorganized company under the Plan of Reorganization for the Debtor (herein-

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after sometimes called the "Plan"), as confirmed by this Court in the order entered in these proceedings on February 23, 1945 (a copy of said Plan being attached to this order as Exhibit A), shall be the existing Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a Wisconsin corporation, with its present charter and articles of incorporation amended in accordance with the provisions of the Plan, the amendments to said charter and articles of incorporation (hereinafter called the "Charter Amendments"), in the form prepared by the Reorganization Committee under the authority conferred upon them by the Plan, being incorporated in this order as Exhibit B attached hereto;

(b) The Interstate Commerce Commission, acting on the application filed with it by the Reorganization Committee on October 31, 1945, as amended November 13, 1945, with supporting exhibits including the Charter Amendments substantially in the form of Exhibit B attached hereto, has entered in its Finance Docket No. 10882 a report and order dated November 15, 1945, approving the transfer of the Debtor's property to the reorganized company, the assumption of certain obligations by the reorganized company, and the issuance of certain new securities by the reorganized company and others, all pursuant to the Plan.

IT IS THEREFORE ORDERED:

(1) The aforesaid determination of the Reorganization Committee is hereby approved, and the Charter Amendments in the form set forth in Exhibit B attached to and made a part of this order are hereby approved and declared to be in conformity with and a part of the Plan of Reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company.

(2) The Reorganization Committee is hereby authorized and directed to file with the Secretary of State of the State

of Wisconsin, on behalf of the Debtor and pursuant to Section 190.02(9)(c) of the Wisconsin Statutes, 1943, a copy of this order duly certified by the Clerk of this Court, including Exhibit A attached to and made a part of this order, being the Plan of Reorganization as confirmed in these proceedings by the order of the Court entered February 23, 1945, and Exhibit B attached to and made a part of this order, being the Charter Amendments as approved by this order.

(3) Upon the filing of said certified copy with the Secretary of State of the State of Wisconsin, the charter and articles of incorporation of Chicago, Milwaukee, St. Paul and Pacific Railroad Company shall be and be deemed to be amended in accordance with the provisions of the Plan and this order for all purposes, and said corporation shall thereupon be duly and legally reorganized as a corporation of the State of Wisconsin in accordance with its charter and articles of incorporation as so amended and shall have full power and authority to put into effect and carry out the Plan and the orders of this Court relative thereto, and it is hereby directed to take timely action to that end. Such action shall include the issuance, as provided in the Charter Amendments, of 15 shares of the Common Stock of the reorganized company to or upon the order of the Reorganization Committee, upon payment to the reorganized company of $100 in cash for each of said shares. The certificates representing such shares shall be in the form approved for Common Stock certificates of the reorganized company by the order of the Court entered herein on this day, vesting the Debtor's property in the reorganized company and authorizing and directing the consummation of the Plan, and shall be signed by the President or any Vice President of Chicago, Milwaukee, St. Paul and Pacific Railroad Company holding office when said certificates are issued, and the corporate seal of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, attested by its Secretary or any Assistant Secretary holding office when

said certificates are issued, shall be affixed thereto. At the first meeting of the Board of Directors of the reorganized company after the filing of the Charter Amendments, the form of certificates representing said shares and the execution of said certificates shall be approved and ratified, and the reacquisition by the reorganized company of said shares at $100 per share in cash and the cancellation thereof and of the certificates representing the same shall be provided for.

(4) The Trustees of the Debtor's property are hereby authorized and directed to pay to the State of Wisconsin out of the funds of the trust estate all fees and taxes that may be required under the statutes of said state in connection with the filing authorized in paragraph (2) of this order, within the maximum allowance for consummation expenses fixed by the Interstate Commerce Commission in the report and order entered on June 30, 1945 in its Finance Docket No. 10882.

ENTER:

MICHAEL L. IGOE
District Judge

Dated November 26, 1945

EXHIBIT A

PLAN OF REORGANIZATION FOR CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

A. The effective date of the plan shall be January 1, 1944, provided, however, that the modification of the mortgages and the bonds of the Chicago, Terre Haute and Southeastern Railway Company, hereinafter referred to as the Terre Haute, and its subsidiaries, and the new lease of the Terre Haute property as hereinafter provided, shall be approximately as of the date of consummation of the plan.

B. The properties of the debtor shall be transferred to the reorganized debtor or to a new corporation organized for the purpose, in either case hereinafter referred to as the new company.

C. The capitalization of the new company shall consist substantially of the equipment obligations (partly estimated) totaling $18,472,578, $59,515,170 of first-mortgage series A bonds, $57,256,668 of general-mortgage 4½-percent bonds, series A, $51,422,111 of general-mortgage 4½-percent convertible bonds, series B, $111,347,846, par value, of 5-percent preferred stock, and 2,131,475.25 shares of common stock, of no-par value. In addition, there may remain outstanding in modified form, as hereinafter provided, $21,928,800, principal amount, of bonds of the Terre Haute and its subsidiaries.

In the event the claim of the Finance Corporation be paid in full with cash the capitalization of the new company shall consist substantially of the equipment obligations of $18,472,578, $59,515,171 of first-mortgage series A bonds, $57,256,669 of general-mortgage 4½-percent bonds, series A, $51,422,111

of general-mortgage 4½-percent convertible bonds, series B, $112,173,996, par value, of 5-percent preferred stock, and 2,123,213.75 shares of common stock of no-par value. In addition, there may be outstanding, in modified form, the Terre Haute bonds referred to above.

D. Upon consummation of the plan and the issue and distribution of new securities as hereinafter provided, the existing stocks of the debtor, together with all its mortgage bonds, including bonds pledged, shall be surrendered to the reorganization committee and canceled, and all existing mortgages shall be satisfied of record and canceled.

E. The new first mortgage shall constitute a first lien, subject only to the lien of equipment obligations, on all property owned by the debtor or its trustees in bankruptcy as such, including securities, equipment, and the equity in such equipment as may be subject to equipment-trust obligations, but excluding equipment or the equity in equipment which may be now or hereafter lodged under the lien of any of the Terre Haute mortgages in accordance with the terms of such mortgages, modified as herein provided. The first mortgage shall also have a lien on all similar property acquired by the new company after the reorganization, except equipment replacing deficiencies under the Terre Haute mortgage and except that (*a*) if the new company shall acquire the properties of any other company (except a subsidiary) then constituting a class I carrier as defined by the rules of the Commission then in force, such properties shall not be subject to the lien of the first mortgage unless hereafter specifically subjected thereto or unless acquired in whole or in part by the use of first-mortgage bonds or general-mortgage income bonds, or moneys deposited under either of those mortgages, and (*b*) if the new company shall be consolidated with, or shall be merged into, or shall sell its assets substantially as

an entirety to, any other company which at the time is a class I carrier as defined as aforesaid, properties then owned or thereafter acquired by such other company shall not be subject to the lien of the first mortgage except properties thereafter acquired which shall be appurtenant or incident to properties subject to the lien of the first mortgage, or which shall be within the maintenance or replacement covenants of the first mortgage, or which shall be acquired in whole or in part by the use of first-mortgage bonds or general-mortgage income bonds or moneys deposited under either of said mortgages.

The new first-mortgage bonds shall be unlimited in authorized principal amount, subject to mortgage provisions and to such limitations, if any, as may be prescribed by the laws of the State or States in which the new company is incorporated. First-mortgage bonds, other than those issued in the reorganization, may be issued from time to time in different series, subject to limitations and restrictions specified in the mortgage, payable on such date or dates, in such denominations, bearing interest at such rates, and containing such provisions in respect of redemption, conversion, taxes, place or places and money or moneys of payment, registration, and sinking funds, as may be prescribed by the board of directors of the new company at the time of issue, and approved by this Commission.

There shall be issued in connection with the settlement of the claims of creditors, as hereinafter described, approximately $59,515,170, principal amount, of series-A first-mortgage bonds, to be dated January 1, 1944, and to mature January 1, 1994, bearing interest at the rate of 4 percent per annum, payable semiannually on July 1 and January 1. Such bonds shall be redeemable, as a whole or in part, on any interest-payment date on 30 days' notice, and at any other time on 60 days' notice, both by publication, at par and accrued

interest plus a premium of 5 percent if redeemed before January 1, 1945, and, if redeemed thereafter, at par and accrued interest plus a premium of 5 percent, decreased by one-fourth of 1 percent for each 2 years elapsed after January 1, 1945, until January 1, 1984, and thereafter at par and accrued interest.

The new first-mortgage bonds of series A issued at reorganization shall be entitled to the benefit of a sinking fund to be created by the annual payment to the mortgage trustee on April 1 of each year, commencing April 1, 1945, out of available net income, as elsewhere in the plan more particularly defined, after the payment of fixed charges, the mandatory payment into the additions and betterments fund, and after payment of any sinking funds for the retirement of first-mortgage or general-mortgage bonds, if any, issued for the acquisition of equipment free of other liens, of an amount equal to one-quarter of 1 percent of the principal amount of first-mortgage bonds, series A, issued at reorganization plus the interest on such first-mortgage bonds as shall have been purchased or redeemed out of the sinking fund or delivered to the mortgage trustee by the reorganized company, as provided below. Such sinking fund payments shall be cumulative to the extent earned, but not otherwise cumulative. Funds made available for the sinking fund shall be applied first to the retirement of bonds at public sale or upon calls for tender (but in no case at a price exceeding their redemption price) and to the extent not so applied, to the redemption of the Bonds. Bonds shall be called for redemption by lot. The reorganized company shall be permitted to deliver to the mortgage trustee in lieu of all or any part of cash payments into the sinking fund, bonds of Series A bearing all unmatured coupons, such bonds to be taken at their cost to the company (exclusive of accrued interest) as certified by the company to the trustee at the time of the delivery of such

bonds, or at the redemption price on the first day of April in such calendar year whichever shall be lower. Bonds purchased or redeemed out of the sinking fund, or delivered by the reorganized company in lieu of cash payments into the fund as aforesaid shall not thereafter be reissued, but shall be retained in the sinking fund and interest paid thereon, to the same extent as if the bonds were outstanding for the purposes of the sinking fund.

In addition to the foregoing bonds to be issued for the settlement of the claims of creditors, there may be issued in the reorganization, for the purpose of sale to provide for reorganization expenses, working capital, and necessary additions and betterments, not exceeding $5,000,000 of new first-mortgage bonds, or such lesser amount as, with the approval of the reorganization committee, may be determined to be necessary, having such maturity, not earlier than January 1, 1964, and such rate of interest, not exceeding 5 percent per annum, and such other provisions, and to be sold at such price and upon such terms and conditions, as may be determined by the reorganization committee and approved by this Commission. The amount of bonds to be sold in connection with the consummation of the plan, and the application of the proceeds of the sale of such bonds shall be determined by the reorganization committee in its discretion.

First-mortgage bonds, in addition to those issued in the reorganization, shall be issuable from time to time to refund outstanding first-mortgage bonds or to refund obligations secured by prior liens on after-acquired property or to provide for or to reimburse the new company for not exceeding 75 percent of expenditures made after December 31, 1943 (including expenditures for new equipment subject to the lien of the first mortgage as a first lien, but not including other expenditures for equipment or for additions and betterments to equipment), which, under the accounting rules of this Com-

mission at the time in force, are properly chargeable to capital account; provided, however, as follows:

1. Except when bonds are authenticated in respect of new mileage (or securities representative thereof), or in respect of new equipment, said 75 percent shall be applied to the net amount of capital expenditures made after December 31, 1943, after deducting, to such extent and on such basis as may be provided in the first mortgage, credits to capital account after that date.

2. If any new first-mortgage bonds shall be issued for the acquisition of new equipment, a sinking fund shall be provided sufficient to retire an equivalent amount of such bonds within a period of either 15 years or the estimated life of the equipment to be acquired (as established by a certificate of an engineer who shall be appointed by the board of directors of the new company and approved by the trustee under the first mortgage and who may be an officer or employee of the new company), whichever may be the shorter.

3. If any property is acquired subject to existing liens the amount of additional first-mortgage bonds issuable therefor, together with the aggregate amount of existing liens to which such property is subject, shall not exceed 75 percent of the net cost thereof, including as part of such cost such existing liens whether or not the indebtedness secured thereby is assumed by the new company.

4. When the total principal amount of first-mortgage bonds outstanding plus all other funded debt bearing fixed interest shall exceed either (*a*) 35 percent of the total capitalization of the new company, determined as hereinafter provided, or (*b*) 55 percent of such total capitalization, less the principal amount of funded debt bearing contingent interest at the time outstanding, the new company will pay to the trustee under the first mortgage as a sinking fund a sum equal to 50 percent of the available net income of the next

preceding calendar year that remains after providing for all general-mortgage sinking funds and charges prior thereto, as hereinafter described in connection with the application of available net income, or after said provisions shall have ceased to be operative, 50 percent of net income as defined by the accounting rules or practice referred to. Such sinking fund shall be applied to the retirement of first-mortgage bonds, by purchase in the open market or by call for tenders, or otherwise, at not exceeding the redemption price, or in the case of bonds not redeemable, the principal amount and accrued interest, or by payment of matured or maturing bonds or redemption of redeemable bonds; all bonds so acquired shall be canceled, and no bonds may be issued under the first mortgage to refund any such bonds. First-mortgage bonds and general-mortgage income bonds outstanding shall be deemed to include all bonds authenticated and delivered which shall not have been canceled or assured of retirement through the deposit of cash. Funded debt shall be deemed to include an amount equal to the capitalized value, at 5 percent per annum, of fixed rents payable for leased roads, other than terminal or bridge properties, but shall not include (*a*) obligations, other than mortgage bonds or equipment-trust obligations, maturing not more than 2 years after their date, or (*b*) obligations of longer maturity secured by pledge of bonds having a lien on property of the new company, except to the extent if any, by which the principal amount of such obligations exceeds the principal amount of such bonds so pledged. Bonds guaranteed by the new company as to interest or principal or both, other than bonds of a terminal or bridge company, shall be included in funded debt, but, in case of a joint and several guaranty with other corporations, only to the extent of the new company's basic proportion of the principal liability. There shall be included in determining total capitalization only (*a*) obligations constituting funded debt, (*b*) stock having par value, at such par value, and (*c*) stock without par

value, at $100 a share in case of the stock issuable under the plan, and, in case of other stock, at the capital value at which such stock is carried on the books of the new company, not exceeding, however, except to the extent that earned surplus shall have been duly capitalized, the net amount received by the new company on the issue thereof.

5. No additional first-mortgage bonds shall be sold or pledged unless the board of directors of the new company by resolution adopted by two-thirds of the entire number of directors, shall have authorized such sale or pledge, and the terms thereof.

The mortgage shall provide, within conditions and limits to be therein prescribed, for the alteration and modification thereof and of any or all supplements thereto and of the rights and obligations of the new company and of the holders of the bonds thereunder at any time by the concurrent action of the new company and of the holders of not less than 66⅔ percent in aggregate principal amount of the bonds then outstanding affected by such change or modification; provided that no such change or modification shall alter or impair the obligation of the new company to pay the principal of any bond or the interest thereon without the consent of the holder of such bond, and provided, further, that all changes or modifications shall be subject to the approval of this Commission.

The new first mortgage shall contain a provision, in such form and substance as may be determined by the reorganization committee with the approval of the court, that the mortgage may at any time, with the approval of the Commission or such other regulatory body as may at the time have jurisdiction in the premises, be modified by the concurrent action of the reorganized company and of the holders of not less than 75 percent in principal amount of all bonds of the mortgage outstanding at the time of such vote so as to postpone the time or times of payment of any fixed interest or ac-

cumulations of contingent interest, either before or after the interest is due, or the principal of any or all series of bonds of the mortgage, either before or after maturity, whether bearing fixed or contingent interest which at such time may be outstanding, provided that the payment of the principal of the bonds may not be postponed for a longer period than 20 years from the maturity date designated in the bonds and that the maturity of interest on the bonds may not be postponed for a longer period than 5 years but in no event beyond the maturity date of the principal of the bonds designated in the bonds unless such maturity be postponed, in which event the maturity of interest on the bonds may not be postponed beyond the extended maturity date of the principal.

The new first mortgage shall contain a covenant substantially to the effect that during each calendar year, commencing January 1, 1944, or on or before March 1 next following the end of such calendar year, there shall be paid into a reserve and retirement fund (*a*) such amounts as may be charged against operating expenses by the new company in respect of such calendar year as this Commission may require for depreciation of equipment, or, if no specific depreciation shall have been required, then a reasonable amount therefor within the maximum permitted by this Commission, and (*b*) such amounts as may be required to be paid into the reserve and retirement fund out of the additions and betterments fund, as hereinafter provided.

The reserve and retirement fund may be used only to provide for or to reimburse the new company for expenditures for the following purposes in the order shown: (*a*) Payment of principal of equipment obligations and sinking funds on bonds issued against the purchase of equipment; and if at any time the amount then in said fund, and estimated to be payable into said fund in respect of the remainder of the then current calendar year, shall exceed the principal of such equipment-trust obligations and sinking funds required to be

provided for out of said fund in respect of the remainder of said calendar year, then, to the extent of such excess; (*b*) payment in cash on account of the cost of new equipment; (*c*) cost of replacement of vacancies in equipment trusts; (*d*) cost of replacement of property retired to the extent chargeable to capital account; (*e*) additions and betterments to equipment chargeable to capital account required to maintain the efficiency of the system unimpaired; and (*f*) if the amount of the above-mentioned excess of said fund shall at any time be more than $5,000,000, then to the extent of such excess over $5,000,000, any other capital expenditure for which first-mortgage bonds might be issued.

Should an emergency exist resulting in insufficient earnings from which to meet interest or any sinking-fund payments on the first-mortgage bonds, or on any other secured obligations the lien of which is not junior to the lien of the first-mortgage bonds, the board of directors may, in its discretion, apply any amounts in said fund to the extent necessary to make good the deficiencies, but thereafter no interest upon the general-mortgage income bonds or dividends on stock shall be paid until the reserve and retirement fund has been reimbursed for the funds so used.

The reserve and retirement fund shall be segregated from the general funds of the new company and held in cash or invested in United States Government securities. If, after the final computation of the amount required to be paid into said fund in respect of any calendar year, and the amount appropriated or to be appropriated therefrom in respect of expenditures made during such calendar year for the purposes described under (*a*) to (*f*) above, there shall remain an unappropriated balance, such balance or such portion thereof as will bring the appropriations for the year up to a total of $5,000,000, may be applied, at the discretion of the board of directors, to the retirement, by purchase or redemption, of

any first-mortgage bonds of the new company then outstanding. In the event that the unappropriated balance of the fund at the end of any calendar year shall exceed $5,000,000, the excess over $5,000,000 shall be applicable mandatorily to the purchase or redemption of such first-mortgage bonds.

To the extent that any expenditures are provided for or reimbursed out of the reserve and retirement fund, the new company shall not thereafter have the right to issue any bonds or other evidences of indebtedness, or any stock ranking, as to either assets or dividends, in priority to or on a parity with the preferred stock, to capitalize or reimburse such expenditures; provided, however, that subject to the foregoing restriction such expenditures, if for purposes for which first-mortgage bonds or general-mortgage income bonds may be issued, may be taken into account in determining the total amount of capital expenditures in respect of 75 percent of which first-mortgage bonds or general-mortgage income bonds may be issued.

The new first mortgage shall also contain a covenant to the effect that the principal amount of either first-mortgage bonds or general-mortgage income bonds pledged to secure any indebtedness shall never exceed 150 percent of the principal amount of such indebtedness.

F. The new general mortgage shall constitute a lien, subject to the lien of the first mortgage, upon all property from time to time subject to the lien of the first mortgage. Bonds issued under the general mortgage shall be unlimited in authorized principal amount, subject to mortgage provisions and to such limitations, if any, as may be prescribed by the laws of the State or States in which the new company is incorporated.

General-mortgage income bonds may be issued from time to time in different series, subject to the limitations and re-

strictions specified in the mortgage, payable on such date or dates, in such denominations, bearing interest at such rates, and containing such provisions in regard to accumulation of interest, redemption, conversion, taxes, place or places and money or moneys of payment, registration, sinking funds, and priority as among the several series, of interest and sinking fund, as may be prescribed by the board of directors of the new company at the time of issue, and approved by this Commission.

There shall be issued in connection with the reorganization and for the purposes hereinafter stated, approximately $57,256,668, of series A general-mortgage income bonds, to be dated January 1, 1944, and to mature January 1, 2019, bearing interest contingent upon earnings at the rate of 4½ percent per annum, cumulative to the maximum amount at any one time of 13½ percent, whether for consecutive or nonconsecutive periods, as hereinafter defined, but in priority to interest on the series B bonds, payable on the 1st day of April, commencing April 1, 1945. Interest owing as a debt in a given year but which is paid on the interest-payment date or dates in the succeeding year shall not be included in calculating the 13½ percent.

There shall also be issued in connection with the reorganization, for the purposes hereinafter stated approximately $51,422,111 of general-mortgage series B convertible income bonds, to be dated January 1, 1944, and to mature January 1, 2044, bearing interest contingent upon earnings at the rate of 4½ percent per annum, cumulative to the maximum amount at any one time of 13½ percent, whether for consecutive or nonconsecutive income periods, as hereinabove defined, but in subordination to interest on the series A bonds, payable on the 1st day of April, commencing April 1, 1945. Interest owing as a debt in a given year but which is paid on the interest-payment date or dates in the succeeding year shall not be included in calculating the 13½ percent.

Interest on general-mortgage income bonds shall be paid, together with any accumulations thereof, only out of available net income of the new company as hereinafter provided, with such priority as among the several series as may be determined by the board of directors of the new company at the time of the creation of such series, provided, however, that the interest on any new series shall not have priority over series A or series B. Accumulations of interest shall not bear interest. Upon the happening of any event or default provided in the mortgage, and institution with the approval of any court or public regulatory body having jurisdiction in the premises, of a proceeding seeking reorganization of the new company, or the appointment of a trustee or receiver for all or any substantial part of its property, all arrears of accumulated interest shall become immediately due and payable.

No interest shall be paid on the general-mortgage income bonds if the amount so paid would be less than one-fourth of 1 percent, and all payments shall be in multiples of one-fourth of 1 percent. Any such excess available for interest not paid because of the foregoing provisions shall be reserved and added to the amount available for such interest in the succeeding income period for the payment of such interest.

The series B convertible income bonds shall be convertible into the common stock of the new company at the option of the holders at any time (but, in the case of said bonds called for redemption, only up to and including the day which shall be 30 days prior to the redemption date, or, if such day shall be a holiday, the first business day thereafter) at the rate, for each $1,000 bond, of 10 shares of common stock, with appropriate provisions for adjustment of interest and dividends in the event of stock dividends or split-ups or in the event of accumulation of shares.

The series A and series B income bonds shall be redeemable for the sinking fund at any time on 60 days' notice at

the face value thereof, plus accrued and unpaid accumulations of interest; and otherwise as a whole or in part on any interest-payment date of 60 days' notice and at any other time on 90 days' notice at 101 percent of the face value thereof if redeemed on or before January 1, 2019, and thereafter at face value plus accrued and unpaid accumulations of interest to the extent accumulations are authorized.

The general-mortgage income bonds of series A and series B shall be entitled to the benefit of a sinking fund to be created by the annual payment to the mortgage trustee on April 1 of each year, out of available net income as hereinafter defined, of an amount equal to one-half of 1 percent of the aggregate principal amount of general-mortgage income bonds, series A and series B, authenticated and delivered. The sinking fund shall be applied from time to time to the purchase, at not exceeding their principal amount, or, if not obtainable, to the redemption, of general-mortgage income bonds, series A, so long as any of the bonds of said series shall be outstanding, and thereafter of general-mortgage income bonds, series B, and all bonds so purchased and redeemed shall be canceled. Sinking funds may be provided for general-mortgage income bonds of any other series as may be determined by the board of directors of the new company, with such priority as between such series as the board may decide, provided none of such series shall have priority over series A or series B.

General-mortgage income bonds, in addition to those issued in the reorganization, may be issued from time to time in lieu of first-mortgage bonds, for the purposes and subject to the restrictions stated for the issue of additional first-mortgage bonds. The general mortgage shall contain a covenant substantially to the effect that no general-mortgage income bonds, other than those to be issued under the plan, shall be sold or pledged, except to refund outstanding first-mortgage bonds or income bonds or underlying obligations,

unless the board of directors of the new company, by resolutions adopted by two-thirds of the entire number of directors, shall have authorized such sale or pledge.

The mortgage shall provide, within conditions and limits to be therein prescribed, for the alteration and modification thereof and of any or all supplements thereto and of the rights and obligations of the new company and of the holders of the bonds thereunder at any time by the concurrent action of the new company and of the holders of not less than 66⅔ percent in aggregate principal amount of the bonds then outstanding affected by such change or modification; provided, that no such change or modification shall alter or impair the obligation of the new company to pay the principal of any bond or the interest thereon, without the consent of the holder of such bond; and provided, further, that all changes or modifications shall be subject to the approval of this Commission.

The new general mortgage shall contain a provision, in such form and substance as may be determined by the reorganization committee with the approval of the court, that the mortgage may at any time, with the approval of the Commission or such other regulatory body as may at the time have jurisdiction in the premises, be modified by the concurrent action of the reorganized company and of the holders of not less than 75 percent in principal amount of all bonds of the mortgage outstanding at the time of such vote so as to postpone the time or times of payment of any fixed interest or accumulations of contingent interest, either before or after the interest is due, or the principal of any or all series of bonds of the mortgage, either before or after maturity, whether bearing fixed or contingent interest which at such time may be outstanding, provided that the payment of the principal of the bonds may not be postponed for a longer period than 20 years from the maturity date designated in the bonds and that the maturity of interest on the bonds may not be postponed for a longer period than 5 years but in no

event beyond the maturity date of the principal of the bonds designated in the bonds, unless such maturity be postponed, in which event the maturity of interest on the bonds may not be postponed beyond the extended maturity date of the principal.

In the event of any unification of the properties of the new company with the properties of any other company, the modification thus authorized may include provisions excluding, in whole or in part, the earnings from such other properties in determining available net income, and provided for the determination of such available net income without the maintenance of separate accounts.

The general mortgage shall contain covenants similar to those in the first mortgage in respect of the reserve and retirement fund.

The general mortgage shall also contain a covenant to the effect that the principal amount of either first-mortgage bonds or general-mortgage bonds pledged to secure any indebtedness shall never exceed 150 percent of the principal amount of such indebtedness.

G. The mortgage indentures securing the first-mortgage bonds of the Southern Indiana Railway Company, the first-mortgage bonds of the Bedford Belt Railway Company, the first and refunding mortgage bonds of the Terre Haute, and the income-mortgage bonds of the Terre Haute shall be modified by supplemental indentures, and the existing bonds correspondingly modified, without disturbing their liens, or new bonds issued in exchange for the existing bonds, in either case effective approximately as of the date of consummation of the plan, so that (1) the maturity of all such bonds shall be the date of maturity of the first-mortgage series A bonds of the new company, (2) all such bonds shall bear fixed interest at the rate of 2¾ percent per annum and contingent

interest in addition at the rate of 1¼ percent per annum, the payment of the latter being contingent upon the earnings of the new company to the same extent, in the same manner, and with the same limitations, as are provided for the payment of interest on the general-mortgage series A income bonds of the new company, as hereinafter described, (3) the holders of the aforesaid bonds shall waive all equipment vacancies under the existing mortgages up to the effective date of the plan, January 1, 1944, (4) the new company may, in the replacement of equipment retired after the effective date of the plan, include equipment purchased under equipment trusts, the lien of the trusts not to exceed 75 percent of the total cost of the equipment, and (5) the mortgages shall contain appropriate provisions permitting, subject to the approval of this Commission, abandonment of Terre Haute property which the board of directors may deem it to the interests of the system to abandon. The supplemental indenture for the Terre Haute income mortgage shall declare null and void the guaranty of the Chicago, Milwaukee and St. Paul Railway Company endorsed on the income bonds. A new lease shall be made between the Terre Haute and the new company which shall replace the present lease between the Terre Haute and the debtor. The new lease shall provide for the assumption by the new company of the payment of the principal amounts of the mortgage bonds, modified as above provided, and for the payment by the new company of the interest on the modified bonds at the rates and under the conditions specified in the modified bonds, in addition to taxes and to an amount, not exceeding $12,000 a year, to pay the corporate expenses of the Terre Haute. The lease shall permit, subject to the approval of this Commission, the abandonment of property which the board of directors may deem it to be to the advantage of the system to abandon, and shall contain such provisions as may be deemed appropriate to facilitate a consolidation of the properties of the Terre Haute with those of the new company.

The foregoing provisions of the plan, if accepted by substantially all the Terre Haute bondholders, shall become effective approximately as of the consummation of the plan. The reorganization committee, hereinafter provided for upon confirmation of the plan by the court, shall submit the foregoing provisions, with copies of the plan, the reports made part of this order (or such summarization thereof as may be adopted by the Commission for submission to the creditors of the debtor for acceptance or rejection of the plan), and the opinion and order of the court approving the plan, to all the Terre Haute bondholders, and shall report to the court the result of such submission. Should the court determine that the foregoing provisions relative to the treatment of the Terre Haute bonds and the Terre Haute lease shall not have been accepted by substantially all the Terre Haute bondholders, then the existing lease between the Terre Haute and the debtor, together with the guaranty of the payment of the principal and interest of the Terre Haute income-mortgage bonds, shall be rejected, so far as the plan herein approved is concerned, as of the date of such determination by the court, without prejudice to either the negotiation of a new lease or a consolidation of the properties of the Terre Haute with those of the new company, on terms subject to the approval of this Commission. In the event that the court determines that the described provisions have not been so accepted, appropriate adjustment shall be made by the court in the corporate structure of the new company, approved herein, by elimination of the assumption of obligation with respect to the Terre Haute bonds, and such other adjustments as the court may deem necessary to put the plan into effect.

H. The available net income shall be determined for each calendar year, herein called income period, commencing January 1, 1944, as promptly as possible after the termination thereof, by deducting from the consolidated income of the

new company and its railroad subsidiaries available for fixed charges for such income period, determined in accordance with the accounting rules of this Commission or those of any other public regulatory body having jurisdiction in the premises at the time in force, or to the extent not covered by such accounting rules, in accordance with sound accounting practice, (*a*) all fixed charges accrued during such income period; and (*b*) all other charges properly deductible from such income in determining income after fixed charges under such accounting rules then in force, but excluding contingent interest[1] and additions and betterments fund and sinking-fund requirements hereinafter provided for; provided, however, that there shall be excluded from the computation of consolidated net income available for fixed charges, for purposes of determining the amount of available net income for contingent interest and the additions and betterments fund and sinking-fund requirements provided for in the plan, that part of the charges to operating expenses representing the service value (ledger value less value of salvage, if any) of non-depreciable roadway property retired and not replaced, and provided further, that if the new company shall not come into ownership and possession of the properties now operated by the bankruptcy trustees of the debtor on or before the effective date of the plan, the available net income for any period after the effective date of the plan, until the new company comes into possession and operation of such properties, shall be computed as if the new company had come into such ownership or possession on said date, and had issued, as of that date, the new securities issuable under the plan, except that the present Terre Haute bonds shall be considered as undisturbed until the date of issue of the modified or new bonds issued under the supplemental indentures.

1. Contingent interest on the modified Terre Haute bonds shall also be excluded for the purpose of this determination, although such interest shall be shown in the accounts as rent for leased roads.

The available net income for each income period shall be applied to the following purposes and in the following order:

1. The available net income shall first be applied, on April 1 of each year, beginning 1945, to the creation of a fund to provide for, or to reimburse the treasury of the new company for, all the cost, payable in cash, of additions and betterments to the mortgage property, including equipment, which are properly chargeable to capital account under the accounting rules of this Commission then in force, provided, however, that—

(*a*) To the extent that expenditures are so provided for or reimbursed out of the additions and betterments fund, the the new company shall not thereafter have the right to issue any bonds or other evidences of indebtedness or any stock ranking, as to either assets or dividends, in priority to or on a parity with the new preferred stock, to capitalize or reimburse such expenditures, provided, however, that subject to the foregoing restriction, such expenditures, if for purposes for which first-mortgage bonds or general-mortgage income bonds may be issued, may be taken into account in determining the total amount of capital expenditures in respect of 75 percent of which first-mortgage bonds or general-mortgage income bonds may be issued.

(*b*) The amount set aside in the additions and betterments fund out of available net income of any income period (1) shall not be less than $2,500,000 or such portion of that sum as may be available, plus the amount, if any, by which the amount applied to the fund out of available net income in the last preceding income period was less than $2,500,000, such deficiency payments not to apply to any prior income period except the one immediately preceding, (2) plus such additional amount as the board of directors shall determine to set aside for the fund out of available net income for the

income period, provided that the total amount so set aside for the income period under clauses (1) and (2) hereof shall not exceed $5,000,000, or 4 percent of railway operating revenues, whichever amount is greater, less any amount applied out of the reserve and retirement fund for the income period for capital expenditures other than payments of equipment obligations and payments on account of new equipment; and provided further, that such additional payment determined by the board of directors under clause (2) of this section shall be made only out of the available net income remaining after the payment of the full contingent interest on the general-mortgage series A bonds of the new company and the modified Terre Haute bonds, as hereinafter provided.

If the new company shall establish and maintain, in such manner as may be permitted or required by law or lawful regulation, an operating-expense account for depreciation on its roadway and structures, then the additions and betterments fund shall be paid from the reserve for depreciation on roadway and structures so credited in respect of the applicable income period, to the extent that the amount so credited to said depreciation reserve shall be adequate therefor. If, likewise, the new company shall charge to operating expenses in any year the cost of any additions and betterments, properly chargeable to capital account under the rules now in effect, then the amount of such charges shall be credited to the additions and betterments fund as a reduction of the payment into the fund for that year. Provided, however, that changes in the accounting rules prescribed by the Interstate Commerce Commission made effective after June 4, 1940, shall not operate to reduce the amount of funds available for additions and betterments below the amount which would be available under an application of the rules existing on said date.

(*c*) The additions and betterments fund shall be segregated from the general funds of the new company and held in cash or invested in United States Government securities.

(*d*) If an unappropriated balance shall remain in the additions and betterments fund at the end of any calendar year, after the final determination of the amount to be paid into such fund and the amount appropriated or to be appropriated in respect of expenditures during such calendar year, such unappropriated balance shall be paid into the reserve and retirement fund hereinbefore provided for and shall become subject to the provisions for that fund.

2. Any then remaining available net income shall be applied to the extent, if any, by which the new company shall have failed to earn its fixed charges in the last preceding income period, to reimburse the treasury of the new company for any amount expended in paying fixed charges for such income period in excess of the net income available for interest for such income period.

3. Any then remaining available net income shall be applied to the sinking funds elsewhere provided, in the plan for the retirement of first-mortgage or general-mortgage bonds, if any, issued for the acquisition of equipment free of other liens.

4. Any then remaining available net income shall be applied to the portion of the annual payments into the sinking fund for the benefit of the first-mortgage bonds, series A, represented by the required payment into the fund of one-quarter of 1 percent of the amount of bonds of such series issued at reorganization.

5. Any then remaining available net income shall be applied to the payment on April 1 of each year, commencing with 1945, of the contingent interest on the new company's

general-mortgage income bonds of series A, and any accumulation thereof, together with the contingent interest on the four issues of Terre Haute bonds, which shall rank with the general-mortgage series A bonds of the new company, up to the limiting rate of 1¼ percent per annum fixed in the supplemental indentures, and any accumulation thereof; all such contingent interest payments being in multiples of one-fourth of 1 percent. In periods when the available net income is not sufficient to enable the new company to pay the full rate on the series A bonds, the ratio of the rate actually paid to the rate of 4½ percent shall be applied to the 1¼ percent rate on the new Terre Haute bonds in determining the amount of the contingent interest payment on the latter bonds, so that the Terre Haute bondholders of each class shall receive the same proportion of the contingent interest payment due on their bonds as will the debtor's creditors who receive the general-mortgage series A bonds.

6. Any then remaining available net income after payment of the full amount of interest due on the general-mortgage series A bonds and the modified Terre Haute bonds, shall be applied to the additions and betterments fund to the extent that the board of directors shall authorize a payment thereto in addition to the mandatory payment of not less than $2,500,000, all as provided above in connection with the additions and betterments fund.

7. Any then remaining available net income shall be applied to the payment on April 1 of each year, commencing with 1945, of the contingent interest on the new general-mortgage bonds of series B and any accumulation thereof; and if the available net income exceeds the interest requirements of such series B bonds, then to the payment of contingent interest on any later series which may be issued and outstanding, with such priority as between the several later series as may be provided in the bonds of such series.

If interest is payable for any income period on general-mortgage income bonds of series later than series A and series B, bearing interest at different rates but without priority as to payment as between each other, and the available net income applicable thereto shall be insufficient to pay all unpaid interest for such income period, including accumulations, the amount applicable shall be apportioned among the several series of such bonds later than series A and series B in proportion to the unpaid interest for such income period, excluding accumulations, on the bonds of the several later series, respectively.

8. Any then remaining net available income shall be applied to the payment of the sinking funds provided for the several series of the general-mortgage income bonds at the time outstanding; with such priority as between the sinking funds provided for the several series, and otherwise at the times and upon such terms, as may be provided in such bonds.

9. Any then remaining available net income shall be applied to payment to the sinking fund to be created and paid to the trustee under the first mortgage in the event the principal amount of first-mortgage bonds outstanding, plus all other funded debt bearing fixed interest, shall exceed either (*a*) 35 percent of the total capitalization of the new company, determined as elsewhere provided in the plan, or (*b*) 65 percent of such total capitalization, less the principal amount of funded debt bearing contingent interest at the time outstanding.

10. Any then remaining available net income may be applied, as the board of directors of the new company may determine, to dividends on the several classes of stock in the order of their priority, or to general corporate purposes, provided that no dividends on the common stock shall be declared, set aside, or paid unless and until amounts

equal to 50 percent of such dividends intended to be declared, set aside, and paid shall be paid into a fund to be used and applied for the retirement of general-mortgage income bonds (using the fund in approximately equal parts to the retirement of series A and series B bonds) and after retirement of all of such bonds, to the retirement of the preferred stock.

I. The new preferred stock shall be authorized in unlimited amount subject to the laws of the State or States in which the new company is incorporated. Approximately 1,113,478 shares of preferred stock, series A, having a par value of $100 each, shall be issued in the reorganization. Other series may be later issued under the limitations and restrictions specified in the certificate of incorporation of the new company, with dividends at such rates and to contain such provisions in regard to accumulation of dividends, voting power, priority or liquidation, redemption, conversion, value (par or no par), retirement funds, participation, et cetera, as may be prescribed by the board of directors of the new company at the time of creation of the series, and approved by this Commission. So long as any shares of series A stock shall remain outstanding, the consent of the holders of at least two-thirds in number of shares of series A stock then outstanding, given in writing or by resolutions adopted at a meeting, shall be necessary for effecting the issue of any additional shares of preferred stock ranking either as to dividends or as to distribution upon liquidation, in priority to or on a parity with the preferred stock of series A.

The holders of series-A preferred stock shall be entitled to receive or to have declared and set apart for payment dividends out of the available net income as hereinabove provided, or out of earned surplus from prior income periods, when and as declared by the board of directors of the new company, at the rate of 5 percent per annum in respect of

such calendar year before any dividends shall be declared or set apart for payment on the common stock in respect of the same year. Such dividends shall be noncumulative, whether or not earned, but no dividends shall be paid or declared and funds set aside for payment on the new common stock unless and until there shall have been paid, or declared and funds set apart for payment, on the series A preferred stock, dividends at the rate of 5 percent per annum in respect of the three consecutive income periods immediately preceding the date of payment on the common stock. For the purposes of the immediately preceding sentence, and that sentence only, dividends at the rate of 5 percent per annum on the preferred stock, series A, shall be assumed to have been paid for the 3 consecutive years immediately preceding the effective date of the plan. The board of directors of the new company shall have authority in its discretion to declare dividends on the preferred stock, series A, out of earnings available therefor relative to an income period or periods falling wholly or partly between the effective date of the plan and the date of the consummation thereof notwithstanding that dividends on the preferred stock, series A, are noncumulative. After dividends shall have been paid or declared and funds set apart for payment on the common stock at the rate of $3.50 a share in respect of any one income period, each share of series A preferred stock shall be entitled to participate equally with each share of common stock in any additional dividends paid or declared and set apart for payment to the extent of $1 a share in respect of such income period.

The series A preferred stock shall be redeemable, at the option of the new company, in whole or in part at any time on 30 days' notice by publication, at its par value, together with any unpaid dividends that shall have been declared thereon.

In the event of the dissolution, winding up, or liquidation of the new company the holders of series A preferred stock

shall be entitled to receive, out of the assets of the new company, the par value of their shares, with all dividends that shall have been declared thereon, before any distribution shall be made to the holders of the common stock, but shall not be entitled to share in any assets of the new company thereafter remaining.

The holders of preferred stock, series A, shall be entitled to voting power on all matters in respect of which stockholders of any class shall be entitled to vote, and shall further be entitled, voting cumulatively as a class, to elect a majority of the board of directors of the new company until full 5-percent dividends shall have been paid upon the preferred stock, series A, for 3 consecutive calendar years. Thereafter, each share of preferred stock, series A, shall be entitled to vote equally with each share of common stock upon the election of directors, by cumulative voting, until such time as full dividends on the preferred stock, series A, shall not have been paid during 3 consecutive calendar years, in which event the holders of the preferred stock, series A, shall again become entitled to elect a majority of the board of directors and to retain this right until full dividends shall have again been paid for 3 consecutive calendar years, when equal voting rights for both classes of stock shall be resumed. Notwithstanding the foregoing provisions of this paragraph, the holders of the preferred stock, series A, voting as a class, shall have the right to elect not less than two directors after default of the equivalent of six quarterly dividends, and the affirmative vote of the holders of at least two-thirds of the preferred stock shall be required as a prerequisite to any charter or bylaw amendment altering materially any existing provision of such preferred stock.

J. The new common stock shall be unlimited in authorized amount, subject to such limitations, if any, as may be provided in the charter or by the laws of the State or States in

which the new company is incorporated. The new common stock shall be without par value. For the purposes of the reorganization approximately 2,076,475 shares shall be authorized and issued for allotment to secured creditors in the initial distribution, and not exceeding 55,000 additional shares shall be authorized and issued for distribution to the holders of general unsecured claims and the holders of the debtor's adjustment-mortgage bonds, all as hereinafter provided. Approximately 514,221 additional shares shall be authorized and held in reserve for the conversion of the series B general-mortgage bonds on the basis stated in the description of that mortgage. Additional common stock may be issued only with the approval of this Commission in further proceedings. Each share of new common stock shall be entitled to 1 vote.

K. The new securities may be issued in temporary form in the first instance, or interim certificates may be issued therefor. Scrip may be issued and distributed in lieu of fractions of a share of stock or of bonds. Such scrip may be non-interest-bearing or non-dividend-bearing, but will be exchangeable for new securities, or interim certificates therefor, when presented in proper multiples on terms and conditions determined by the board of directors of the new company. Accrued interest upon the existing securities has been calculated as of December 31, 1943, and in most cases results in odd amounts which would involve the delivery of scrip representing small fractions. Such adjustment of these interest amounts as may be necessary to avoid the issuance of script in too small fractions may be made by the reorganization committee or the reorganized company in its discretion.

L. The treatment of claims and the provisions for cash financing under the plan shall be as follows:

1. Equipment-trust certificates, the trustees' certificates of indebtedness issued for refinancing equipment obligations,

obligations under equipment conditional-sale agreements, and any other equipment obligations incurred by the debtor, or its trustees and remaining outstanding on December 31, 1943, or which may be issued before the consummation of the plan, are not affected by the plan and shall be assumed or paid by the new company when they respectively become due according to their terms, including the equipment-trust certificates of series J, K, and L, maturing in 1944 and 1945 under the terms of the original agreements. The interest of the holders of all such obligations outstanding at the time of consummation of the plan will not be adversely and materially affected by the plan, and submission of the plan to such holders for acceptance or rejection shall not be necessary. The issue of additional equipment obligations prior or subsequent to the consummation of the plan, if duly authorized under section 20a of the Interstate Commerce Act, shall not be prohibited.

2. There shall be applied in reduction of the debtor's notes to the Reconstruction Finance Corporation all the cash in the hands of the trustee of the first and refunding mortgage at the time of consummation of the plan. In payment of the balance then due, including unpaid interest, if any, the Reconstruction Finance Corporation shall receive the first-mortgage 4-percent series A bonds of the new company equal in principal amount to 100 percent of such balance. The securities pledged with the Reconstruction Finance Corporation shall be delivered to the reorganization committee.

3. The terms and conditions of the four classes of Terre Haute bonds shall be modified and a new lease of the Terre Haute properties shall be executed upon the agreement by substantially all the Terre Haute bondholders to accept the provisions of the plan affecting their interests, all in the manner and under the conditions described above under part G.

4. The holders of Milwaukee & Northern Railroad Company first-mortgage 4½-percent bonds shall receive for each

$1,000 bond, as of the effective date of the plan, approximately $858.23 of new first-mortgage 4-percent bonds, series A, and $141.77 of new general-mortgage 4½-percent bonds, series A, all interest accruing to the effective date of the plan to be paid in cash.

5. The holders of Milwaukee & Northern Railroad Company consolidated-mortgage 4½-percent bonds shall receive in respect of each $1,000 bond $208.67 in cash at or before the consummation of the plan in part payment of interest accruing to December 31, 1943, and for the principal of the bond and the remaining interest on each such bond accruing to the effective date of the plan, approximately $337.81 of new first-mortgage 4-percent bonds, series A, $407.16 of new general mortgage 4½-percent bonds, series A, $231.17 of new general mortgage 4½-percent bonds, series B, and $72.62, par value, of new 5-percent preferred stock.

6. The holders of the debtor's general-mortgage bonds, due 1989, shall receive in cash, at or before the consummation of the plan, in part payment of interest accruing prior to January 1, 1944, approximately the sums of $172.16 in respect of each existing series A bond, and $139.21, $207.13, $207.79, and $225.60, in respect of such interest on each existing $1,000 bond of series B, C, E, and F, respectively, and shall receive for each existing $1,000 bond and the interest to December 31, 1943, remaining unpaid on each such bond after the aforesaid cash payments the following new securities: Series A, approximately $327.73 of new first-mortgage 4-percent series A bonds, $395.01 of new general-mortgage 4½-percent series A bonds, $224.27 of new general-mortgage 4½-percent series B bonds, and $70.45, par value, of new 5-percent preferred stock; series B, approximately $326.56 of new first-mortgage 4-percent series A bonds, $393.60 of new general-mortgage 4½-percent series A bonds, $223.47 of new general-mortgage 4½-percent series B bonds, and $70.20, par value, of new 5-percent

preferred stock; series C, approximately $328.46 of new first-mortgage 4-percent series A bonds, $395.89 of new general-mortgage 4½-percent series A bonds, $224.77 new general mortgage 4½-percent series B bonds, and $70.61, par value, of new 5-percent preferred stock; series E, approximately $328.51 of new first-mortgage 4-percent series A bonds, $395.95 of new general-mortgage 4½-percent series A bonds, $224.80 of new general-mortgage 4½-percent series B bonds, and $70.62, par value, of new 5-percent preferred stock; and series F, approximately $328.90 of new first-mortgage 4-percent series A bonds, $396.42 of new general-mortgage 4½-percent series A bonds, $225.07 of new general-mortgage 4½-percent series B bonds, and $70.70, par value, of new 5-percent preferred stock.[1]

7. The holders of the debtor's 50-year mortgage 5-percent bonds shall receive in respect of each $1,000 bond $225.78 in cash at or before the consummation of the plan on account of interest accruing to December 31, 1943, and for the principal of the bond and the remaining interest on each such bond accruing to the effective date of the plan, approximately $179.38 of new general-mortgage 4½-percent series B bonds, $918.91, par value, of new 5-percent preferred stock, and 0.9755 shares of new no-par common stock.

8. The holders of the debtor's convertible adjustment-mortgage 5 percent bonds shall receive for each bond and all unpaid interest thereon, as of the effective date of the plan, approximately 10.9188 shares of new no-par common stock,

[1] Some of the outstanding General Mortgage Bonds of all series are Registered Bonds and others are Bearer Coupon Bonds. The interest on the Registered Bonds of all Series is payable quarterly and on the Coupon Bonds, semi-annually. For the period prior to January 1, 1939, the latest due date of any interest paid pursuant to Court orders on the Coupon Bonds is July 1, 1936, whereas the latest due date of any interest paid pursuant to Court orders on the Registered Bonds is October 1, 1936. The payment to Registered Bondholders was, therefore, correspondingly larger, which necessitates a compensating adjustment in the distribution as between the holders of Coupon Bonds and Registered Bonds. The figures used in stating the approximate distributions are the average for the two types of bonds.

such allotment including provision for a share in the debtor's free assets.

9. The holders of the first-mortgage 5 percent bonds of the Chicago, Milwaukee & Gary Railway Company shall receive for each $1,000 bond and all unpaid interest thereon, as of the effective date of the plan, approximately 11.41 shares of new preferred stock and 2.97 shares of new common stock.

10. The block of 55,000 shares of new common stock, herein provided for distribution in respect of claims upon the free or unpledged assets of the debtor, shall be distributed on the following bases:

(*a*) To the holders of the adjustment-mortgage bonds, in recognition of the portion of their claim not satisfied from the proceeds of the mortgaged assets, there shall be assigned 32,982.91 shares of common stock, which is on the basis of approximately 0.97 share of stock to each $1,000 of claim.

(*b*) To all other unsecured claims, not entitled to priority over existing mortgages, there shall be assigned shares of common stock on the basis of approximately 0.97 share for each $1,000 of claim allowed by the court.

(*c*) In the event that there shall then remain any substantial number of shares, out of the aforesaid block of 55,000 shares, such remaining shares shall be distributed pro rata among the holders of the adjustment-mortgage bonds and the unsecured claims.

11. In the event the claim of the Finance Corporation be paid in full with cash the following amounts for each $1,000 bond would be distributed in cash and securities in lieu of the cash and securities shown above in paragraphs 4, 5, 6, 7, 8, 9, and 10 of this subdivision L:

4a. The holders of Milwaukee & Northern Railroad Company first-mortgage 4½-percent bonds shall receive for each

$1,000 bond, as of the effective date of the plan, $1,000 of new first-mortgage 4-percent bonds, series A, all interest accruing on the present bonds to the effective date of the plan to be paid in cash.

5a. The holders of Milwaukee & Northern Railroad Company consolidated-mortgage 4½-percent bonds shall receive in respect of each $1,000 bond, $208.67 in cash, at or before the consummation of the plan, in part payment of interest accruing to December 31, 1943, and for the principal of the bond and the remaining interest on each bond accruing to the effective date of the plan, approximately $410.31 of new first-mortgage 4-percent bonds, series A, $409.30 of new general-mortgage 4½-percent bonds, series A, and $229.13 of new general-mortgage 4½-percent bonds series B.

6a. The holders of the debtor's general-mortgage bonds, due 1989, shall receive in cash, at or before the consummation of the plan, in part payment of interest accruing prior to January 1, 1944, approximately the sums of $172.16 in respect of each existing $1,000 series A bond, and $139.21, $207.13, $207.79, and $225.60, in respect of such interest on each existing $1,000 bond of series B, C, E, and F, respectively, and shall receive for each existing $1,000 bond and the interest to December 31, 1943, remaining unpaid on each such bond after the aforesaid cash payments the following new securities: Series A, approximately $398.07 of new first-mortgage 4-percent series A bonds, $397.09 of new general-mortgage 4½-percent series A bonds, and $222.29 of new general-mortgage 4½-percent series B bonds; series B, approximately $396.65 of new first-mortgage 4-percent series A bonds, $395.68 of new general-mortgage 4½-percent series A bonds, and $221.50 of new general-mortgage 4½-percent series B bonds; series C, approximately $398.96 of new first-mortgage 4-percent series A bonds, $397.98 of new general-mortgage 4½-percent series A bonds, and $222.79 of new

general-mortgage 4½-percent series B bonds; series E, approximately $399.02 of new first mortgage 4-percent series A bonds; $398.04 of new general-mortgage 4½-percent series A bonds, and $222.83 of new general-mortgage 4½-percent series B bonds; and series F, approximately $399.50 of new first-mortgage 4-percent series A bonds, $398.51 of new general-mortgage 4½-percent series A bonds, $223.09 of new general-mortgage 4½-percent series B bonds.

7a. The holders of the debtor's 50-year mortgage 5-percent bonds shall receive, in respect of each $1,000 bond, $225.78 in cash, at or before the consummation of the plan, on account of interest accruing to December 31, 1943, and for the principal of the bond and the remaining interest on each such bond accruing to the effective date of the plan, approximately $182.05 of new general-mortgage 4½-percent series B bonds, and $1,013.78 of new 5-percent preferred stock.

8a. The holders of the debtor's convertible-adjustment 5-percent bonds shall receive for each $1,000 bond and all unpaid interest thereon, as of the effective date of the plan, approximately 11.47 shares of new no-par common stock, such allotment including provision for a share in the debtor's free assets.

9a. The holders of the first-mortgage 5-percent bonds of the Chicago, Milwaukee & Gary Railway Company shall receive for each $1,000 bond and all unpaid interest thereon, as of the effective date of the plan, approximately $1,437.50 par value of new 5-percent preferred stock.

10a. The block of 55,000 shares of new common stock herein provided for distribution in respect of claims of the free or unpledged assets of the debtor shall be distributed on the following bases:

(*a*) To the holders of the adjustment-mortgage bonds, in recognition of the portion of their claim, not satisfied from

the proceeds of the mortgaged assets, there shall be assigned 28,019.57 shares of common stock, which is on the basis of approximately 1.19 shares of stock to each $1,000 of claim.

(*b*) To all other unsecured claims, not entitled to priority over existing mortgages, there shall be assigned shares of common stock on the basis of approximately 1.19 share for each $1,000 of claim allowed by the court.

(*c*) In the event that there shall then remain any substantial number of shares out of the aforesaid block of 55,000 shares, such remaining shares shall be distributed pro rata among the holders of the adjustment-mortgage bonds and the unsecured claims.

12. The equity of the holders of the debtor's preferred stock and common stock having been found to be of no value, such stockholders shall not be entitled to participate in the plan.

13. Cash requirements in connection with the reorganization shall be for the purpose of providing necessary additions and betterments and working capital, and for payment of the expenses of reorganization. For such purpose there shall be issuable if necessary in the reorganization not exceeding $5,000,000, principal amount, of new first-mortgage bonds, or such lesser amount as, with the approval of the reorganization committee, may be determined to be necessary, having such maturity, not earlier than January 1, 1964, and such rate of interest, not exceeding 5 percent per annum, and such other provisions, and to be sold at such price and upon such terms and conditions, as may be determined by the reorganization committee and approved by this Commission.

14. The new company shall pay in cash any interest coupons on the debtor's bonds which were declared payable but had not been paid prior to July 1, 1935, and any interest coupons payable subsequently to that date and prior to the

date of consummation of the plan, under orders of the court, if and when such coupons are presented by the holders thereof.

15. The amounts of the obligations herein shown as of the effective date of the plan are subject to change, such as by the payment of equipment obligations, repayment on loans, and payment of bond interest due prior to January 1, 1944. The reorganization committee shall be authorized, in order to give effect to such changes, to make such adjustments in the claims provided for in the plan and such changes in allotment of securities, consistent with the provisions of the plan, as may be approved by the court.

M. All taxes levied, assessed, or accrued against the debtor or the trustees of its property by the United States and remaining unpaid at the date of consummation of the plan shall be paid in cash or assumed and paid by the reorganized company, without requiring proof thereof in this proceeding and without prejudice by reason of not having been proved herein, with the same relative priority as they now have with respect to other obligations of the debtor, subject to the statutes of limitations normally applicable to the assessment and collection of such taxes, provided that the liability of the new company for any such taxes which are the subject of litigation on the date of the consummation of the plan or which may become the subject of litigation on any date thereafter and prior to the expiration of the applicable statute of limitations shall be determined pursuant to law, and provided further that this provision shall not be deemed to preclude either the debtor, the trustees of its property, or the new company from contesting the merits of any such tax in the manner provided by law.

The new company shall be deemed to have assumed the obligations under existing executory contracts (except the present lease of the Terre Haute and the guaranty of the

Terre Haute income-mortgage bonds) which by their terms do not terminate at or prior to the conclusion of the reorganization proceedings and which shall have been affirmed by the bankruptcy trustees prior to confirmation of the plan, and the new company shall also assume any executory contracts made by the trustees, with the approval or authorization of the court, which by their terms do not terminate at or prior to the conclusion of the reorganization proceeding, provided, however, that the new company shall have such rights to terminate contracts or leases entered into by the debtor or by the trustees since June 29, 1935, as are set forth in said respective contracts or leases, which rights shall be exercised within the time set forth therein, and if no definite time is fixed by the terms of such contracts or leases then the right shall be exercised by the new company within six months after the entry of the final decree in these proceedings, or such further time as may be provided in such decree.

The bankruptcy trustees may at any time up to the final consummation of the plan disaffirm any executory contracts of the debtor or which constitute obligations of the debtor entered into prior to the filing of the petition for reorganization herein and as to which the trustees have not assumed obligations pursuant to court approval or authorization and any claims or damages resulting from such disaffirmance shall be treated in the same manner as herein provided for general unsecured creditors, and the court shall retain jurisdiction for the purpose of disposing of the same. All such contracts not disaffirmed by the trustees or in the plan shall be deemed to have been affirmed by the trustees and shall be assumed by the new company.

The new company shall have authority to pay when the amount thereof has been definitely determined, all claims to the extent that they are unpaid by the trustees, falling within the class or classes of those claims which the trustees have been authorized to pay by any order or orders of the court.

Claims against the debtor entitled to priority over their respective mortgages, claims for taxes levied, assessed, or accrued against the debtor or its trustees, current liabilities and obligations incurred by the trustees during the reorganization proceedings, to the extent unpaid at the date of consummation of the plan, and claims arising from the disaffirmance of executory leases or contracts of the trustees pursuant to orders of the court, in respect of which claims are filed or evidenced in accordance with orders of the court, shall be assumed by the new company and paid in the usual course of business with the same relative priority, as they now have with respect to other obligations of the debtor. When so treated, such claims against the debtor, and the interests of parties to executory contracts with the debtor assumed by the new company, other than the obligations of the debtor's trustees, are not adversely and materially affected by the plan.

Claims, arising from the disaffirmance of executory leases or contracts of the debtor, shall constitute general unsecured claims against the debtor, and shall be satisfied in the same manner as other general unsecured claims by the allocation of common stock in the manner provided in the plan.

N. The plan shall be carried out under the supervision of a reorganization committee consisting of five members, one to be designated by the institutional investors' group committee, one by the mutual savings bank group, one by the Reconstruction Finance Corporation, one by the protective committee for the 50-year mortgage bonds, and one by the trustee of the debtor's convertible adjustment mortgage, provided that if the court shall find that at the time of the designation of the members of the committee or at the time the matter of their approval is considered by the court the interest in the debtor held by or represented by the institutional investors' group, the mutual savings bank

group, or the protective committee for the 50-year mortgage bonds, is no longer substantial the court may in its discretion designate a member or members of the reorganization committee in lieu of a member or members who would otherwise be designated by one or more of the three parties above named whose interest in the debtor is found to be no longer substantial. Should any of the parties named fail to designate its representative within such time as the court shall consider reasonable, the court shall appoint such representative. If the Reconstruction Finance Corporation before designating a member of the committee shall have ceased to be a creditor or if the court shall find that it no longer holds a substantial interest in the debtor, such member who otherwise would be designated by the Reconstruction Finance Corporation shall be designated by the joint action of the institutional investors' group committee and the mutual savings bank group, unless the court shall find that the interest in the debtor of one of these two parties is no longer substantial, in which event such member shall be designated by the one of these two parties whose interest in the debtor shall not have been found to be no longer substantial, and if the court shall find that the interest in the debtor of both of these two parties shall be no longer substantial then the court may in its discretion designate such member; and if the Reconstruction Finance Corporation having designated a member of the committee shall cease to be a creditor before the termination of the functions of the reorganization committee, such member shall be succeeded by a member designated in the same manner as if no member had been designated by the corporation. Otherwise the right to designate a member shall include the right of the same interest to designate a successor. All designations authorized in this paragraph shall be subject to the approval of the court. The reorganization committee shall determine the method

of carrying out the plan, subject to approval by the court, and the form, except as herein otherwise expressly provided, and the provisions of all mortgages, bonds, coupons, bylaws, stock certificates, and all other instruments necessary or desirable in carrying out the plan. The reorganization committee shall not be authorized to solicit deposits of securities for purposes other than exchange or to solicit authorizations to represent security holders, except upon approval by this Commission of the terms of such solicitation pursuant to section 77(p) of the Bankruptcy Act, as amended.

The board of directors of the new company shall consist of not less than 7 nor more than 15 members who shall be elected by the stockholders in the manner described in connection with the voting rights of the new stock.

A voting trust shall be created into which all the preferred stock and common stock of the new company shall be placed, and voting-trust certificates shall be issued therefor. The voting trustees shall be five in number, one designated by the institutional investors' group committee, one by the mutual savings bank group, one by the Reconstruction Finance Corporation, one by the protective committee for the 50-year mortgage bonds, and one by the trustee of the debtor's adjustment mortgage, provided that if the court shall find that the interest in the debtor held by or represented by the institutional investors' group, the mutual savings bank group, or the protective committee for the 50-year mortgage bonds at the time these parties make their designations of trustees is no longer substantial the court may in its discretion designate a trustee or trustees in lieu of the trustee or trustees who would otherwise be designated by one or more of the three parties above named whose interest in the debtor is found to be no longer substantial. If the Reconstruction Finance Corporation before designating a voting trustee shall have ceased to be a

creditor or shall be found by the court to no longer hold a substantial interest in the debtor, such trustee who otherwise would be designated by the Reconstruction Finance Corporation shall be designated by the joint action of the institutional investors' group committee and the mutual savings bank group, unless the court shall find that the interest in the debtor of one of these two parties is no longer substantial, in which event such trustee shall be designated by the one of these two parties whose interest in the debtor shall not have been found to be no longer substantial, and if the court shall find that the interest in the debtor of both of these two parties shall be no longer substantial, then the court may in its discretion designate such trustee; and if the Reconstruction Finance Corporation having designated a voting trustee shall cease to be a creditor before the termination of the trust, such trustee shall be succeeded by a trustee designated in the same manner as if no voting trustee had been designated by it. Otherwise, the right to designate a trustee shall include the right of the same interest to designate a successor trustee. Should any of the parties fail to designate either its original or successor trustee within such time as the court shall consider reasonable, the court shall designate such trustee. The designation of any and of all of the Voting Trustees shall be subject to the approval of the Court. The reasonable expenses of the voting trustees, including counsel fees, shall be paid by the new company. The voting trust shall continue until 5 years from the date of the order of the court directing consummation of the plan or until such earlier time as dividends on the new preferred stock shall have been paid at the full rate of 5 percent for each of 3 consecutive periods of 12 months.

The new company shall, by bylaw or otherwise, create a finance committee of not less than three nor more than five members of its board of directors, which committee

shall have supervision over all financial matters, including the annual budget of capital expenditures, and all other expenditures of the new company's funds, and the new company shall covenant to make only such expenditures as shall be approved by said finance committee and authorized by the board of directors, exclusive of emergency expenditures, and of capital items not exceeding $25,000 for any item and not exceeding $200,000 in the aggregate in any year.

O. The plan shall be carried out either by vesting the properties of the debtor, together with the property held by the trustees, in the reorganized debtor corporation or in a new corporation created for the purpose of this reorganization, and by execution by the reorganized or new company of the new mortgages and the issue by it of the new securities contemplated under the plan. The reorganized or new company shall be deemed to have come into possession of the properties as of the effective date of the plan, January 1, 1944.

P. If so ordered by the court, the plan, after it shall be found fair and equitable and confirmed by the court, may be executed by the sale or sales, at not less than fair upset prices, to be fixed by the court, of all or any part of the property of the debtor, all on such conditions and in such manner as the court may direct. Upon any such sale or sales, the property and assets offered for sale may be purchased for the benefit of the new company by the reorganization committee, and in that event there shall be applied on account of the purchase price the distributive share of the proceeds of such sale of all securities the holders of which shall have assented to the plan, and of the securities, though not assenting to the plan, of all classes which shall have accepted the plan. If the property of the

debtor or a substantial portion thereof so offered for sale should be sold to others than the reorganization committee, the plan herein approved shall be deemed inoperative, except insofar as provision is made therein for the sale of the properties as may be ordered by the court, except that if the properties of the Chicago, Milwaukee & Gary Railway Company should be sold to others than the reorganization committee, the plan shall be executed without the inclusion of that property in the reorganization, and the coverage of the mortgages and the issue of securities shall be adjusted accordingly as directed by the court. In the event of any such sale of substantially all of the properties to the reorganization committee, it may in its discretion sell all or any portion of the new securities distributable under the plan in respect of securities of any creditor if neither such creditor nor the class to which such creditor belongs shall have accepted the plan, provided that creditors in a class which shall not have accepted the plan and who themselves shall not have accepted the plan, shall have the right, if they shall so notify the committee within a period of 30 days after the confirmation of the sale, to assent to the plan and receive the securities allocated to them under the plan in lieu of their aliquot share of the proceeds of such sale. The proceeds of sale of securities may be used to pay the portion of the purchase price payable in cash on any such sale of the properties.

Q. The construction of the plan by the court shall be final and conclusive. The court may cure any defect, supply any omission, or reconcile any inconsistency, in such manner or to such extent as may be necessary or expedient to carry out the plan effectively.

R. Acceptance of the plan shall include acceptance of the provisions of the new bonds, mortgages, stock certifi-

cates, and all instruments necessary and appropriate to the carrying out of the plan, other than the orders of the court and this Commission, to the same effect as though the terms of such instruments were set forth in full herein.

S. The carrying out of the plan shall be as provided in the Bankruptcy Act.

EXHIBIT B

AMENDMENTS OF THE CHARTER AND ARTICLES OF INCORPORATION OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY.

WHEREAS, the Plan of Reorganization of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, under the provisions of Section 77 of the Act of July 1, 1898 entitled "An Act to Establish a Uniform System of Bankruptcy Throughout the United States, as Amended" (hereinafter sometimes referred to as the "Plan"), has been duly confirmed pursuant to said Act, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company has been authorized to put into effect and carry out the Plan,

NOW, THEREFORE, the following Amendments of the Charter and Articles of Incorporation of Chicago, Milwaukee, St. Paul and Pacific Railroad Company are made in pursuance of, and to give effect to, the Plan and are a part thereof.

ARTICLE I.

The corporation shall continue its existence with the name "CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY" and shall have, possess, be vested with and entitled to exercise, all the rights, grants, powers, privileges, immunities, advantages, capacities and authorities conferred upon railroad corporations by the laws of the State of Wisconsin and, without limiting the foregoing, shall retain, have, possess, continue to be vested with and entitled to exercise, all the rights, grants, powers, privileges, immunities, advantages, capacities and authorities possessed, vested in and held by it prior to the filing hereof with the Secretary of State of the State of Wisconsin, howsoever derived.

ARTICLE II.

The number of directors of the corporation shall be not less than seven or more than fifteen as shall be determined by the By-Laws of the corporation; but unless and until otherwise determined by the By-Laws, the number of directors shall be fifteen. A special meeting of stockholders, at which directors shall be elected and other business may be transacted, shall be held at the principal office of the corporation in the City of Chicago, Illinois, at the hour of 10:00 o'clock A. M., on the fourth business day after the filing hereof with the Secretary of State of the State of Wisconsin. The directors so elected shall hold office until the next annual meeting of stockholders and until their respective successors are elected and shall qualify. Meetings of stockholders for the election of directors thereafter shall be held annually on such date, at such time and place, within or without the State of Wisconsin, and upon not less than two weeks' notice given in such manner, all as shall be determined by the By-Laws of the corporation. When an annual meeting is not held, or the directors are not elected thereat, directors may be elected at a special meeting of stockholders held for that purpose. If any vacancy shall occur in the Board of Directors during a term, the remaining directors by affirmative vote of a majority thereof shall elect a director to fill such vacancy until the next annual meeting of the stockholders; provided that so long as the Voting Trust created pursuant to the Plan shall continue in force, any such vacancy shall be filled at a special meeting of the stockholders to be called by the president for a date not later than thirty days after the occurrence of such vacancy. Each director elected as aforesaid shall hold office until his successor is elected and shall qualify.

Each director and officer of the corporation, whether or not then in office, and his heirs, executors and administrators, shall be and is indemnified by the corporation against the

reasonable expenses, costs and counsel fees incurred by him in connection with or resulting from any claim made against him, or any action, suit or proceeding to which he may be made a party, in either case by reason of being or having been a director or officer of the corporation, or of being or having been a director or officer of any other corporation at the instance of the corporation, except where any such claim shall be admitted by him to be just or in relation to matters as to which he shall finally be adjudged in any such action, suit or proceeding to be liable or to have been derelict in the performance of his duties as such director or officer. In case of settlement of any such claim, action, suit or proceeding before a final adjudication as to the director or officer, the right of indemnification shall exist (except as to amounts paid or payable to the corporation, pursuant to any such settlement) but only to the extent, if any, which the Board of Directors, exclusive of the director or directors affected by the settlement, may authorize; provided, however, that if the Board of Directors is unable to act due to self-interest of some or all of its members, the corporation shall obtain the opinion of independent counsel, and indemnification shall be had only if it is the opinion of such counsel that such director or officer has not been derelict in the performance of his duty as such director or officer with respect to the matter involved. Such right of indemnification shall be in addition to all other rights to which any such director or officer may be entitled as a matter of law.

ARTICLE III.

The power to make, amend or repeal By-Laws of the corporation shall be vested in the Board of Directors, but the Board of Directors may in any case require approval thereof by the stockholders. The By-Laws of the corporation shall provide, or in the absence of such provision, a resolution or

resolutions passed by a majority of the whole Board of Directors shall provide, for a Finance Committee, consisting of not less than three or more than five directors of the corporation, and may provide for an Executive Committee and one or more other committees, each to consist of three or more directors of the corporation. The Finance Committee shall have supervision over all financial matters, including the annual budget of capital expenditures and all other expenditures of the corporation's funds; and only such expenditures shall be made as shall be approved by the Finance Committee and authorized by the Board of Directors, exclusive of expenditures for capital items not exceeding $25,000 for any one item and in an aggregate not in excess of $200,000 in any one calendar year, and exclusive of emergency expenditures made in accordance with provisions established by the Finance Committee. To the extent provided in any such resolution or resolutions or in the By-Laws of the corporation, each committee so designated shall have and may exercise the powers and authority of the Board of Directors in the management of the property, business and affairs of the corporation and shall have power to authorize the seal of the corporation to be affixed to all papers which may require it.

ARTICLE IV.

SECTION 1. All authorized shares of capital stock of the corporation, and all shares of such capital stock issued and outstanding immediately prior to the filing of these Amendments with the Secretary of State of the State of Wisconsin, are hereby cancelled and nullified, the equity of the holders thereof having been found to be of no value and such holders not entitled to participate in the Plan; and Article IV of the corporation's Charter and Articles of Incorporation is hereby stricken in its entirety.

SECTION 2. Effective upon the filing of these Amendments with the Secretary of State of the State of Wisconsin, the corporation shall be authorized to issue 3,787,451 shares of capital stock, of which 1,150,000 shares shall be classified as Preferred Stock of the par value of $100 each, and 2,637,451 shares shall be classified as Common Stock without par value.

SECTION 3. The designations and the relative rights, preferences, limitations and restrictions appertaining to the shares of Preferred Stock and Common Stock, respectively, shall be as hereinafter provided in this Section 3, to-wit:

PART A—PREFERRED STOCK.

Issuance in Series:

The shares of Preferred Stock shall be issuable in series, each of which series shall consist of such number of shares and have such designation and relative rights, preferences, limitations and restrictions as are provided in this Part A or as shall be determined by the Board of Directors in the resolution authorizing the issuance of shares of such series.

Provisions Applicable to Series A Preferred Stock:

The initial series of shares of Preferred Stock shall be a closed series designated as "Series A Preferred Stock" and shall consist of 1,121,740 shares to be issued and distributed in accordance with the provisions of the Plan. The relative rights, preferences, limitations and restrictions thereof shall be as follows:

(a) *Dividends.* The holders of shares of Series A Preferred Stock shall be entitled to have declared and paid, or declared and set apart for payment, preferential dividends aggregating $5 per share during each calendar year before any dividends shall be declared or paid or set apart for pay-

ment during the same calendar year on the shares of any other series or class of stock junior to the shares of Series A Preferred Stock, subject to the following:

(i) Such preferential dividends shall be payable during any calendar year only when and as declared payable by the Board of Directors of the corporation out of Available Net Income of the corporation for the preceding calendar year or out of the accumulated earned surplus of the corporation for prior calendar years legally available therefor; and

(ii) Such preferential dividends, if and to the extent not declared before the close of any calendar year, shall not accumulate regardless of the amount of Available Net Income or accumulated earned surplus of the corporation legally available therefor.

No dividend shall be declared or paid or set apart for payment during any calendar year on any shares of any series or class of stock junior to the shares of Series A Preferred Stock unless preferential dividends aggregating $5 per share shall have been declared and paid, or declared and set apart for payment, on all outstanding shares of Series A Preferred Stock during each of the three immediately preceding calendar years; but for such purpose it shall be conclusively presumed that such preferential dividends have been paid during each of the three calendar years immediately preceding the calendar year 1944.

After there shall have been declared and paid, or declared and set apart for payment, during any calendar year preferential dividends aggregating $5 per share on all outstanding shares of Series A Preferred Stock and dividends aggregating $3.50 per share on all outstanding shares of Common Stock, each share of Series A Preferred Stock shall be entitled to participate equally with each share of Common Stock in any further dividends declared and paid, or declared and set apart for payment, during such calendar year until each outstanding share of Series A Preferred Stock shall have received participating dividends aggregating $1 during such year.

No dividend payable in the form of shares of any series or class of capital stock of the corporation shall be declared and made payable on the outstanding shares of Common Stock unless concurrently with such declaration there shall be declared and paid, or declared and set apart for payment, a participating dividend of $1 on each outstanding share of Series A Preferred Stock.

Notwithstanding the foregoing provisions of this paragraph (a), the Board of Directors shall have authority in its discretion to declare and pay, or declare and set apart for payment, the following dividends:

(A) In respect of the calendar year 1944 and out of Available Net Income for such year: Preferential dividends aggregating $5 per share on all shares of Series A Preferred Stock before any dividends shall be declared or paid or set apart for payment on the Common Stock, and, after such preferential dividends have been declared and paid, or declared and set apart for payment, dividends on the Common Stock, provided that participating dividends shall be declared and paid, or declared and set apart for payment, on all shares of Series A Preferred Stock, share for share with the Common Stock, up to but not exceeding $1 per share if and when dividends in excess of $3.50 per share shall be declared or paid or set apart for payment on the Common Stock in respect of such year;

(B) In respect of the calendar year 1945 and out of Available Net Income for such year and earned surplus from 1944: Preferential dividends aggregating $5 per share on all shares of Series A Preferred Stock before any dividends shall be declared or paid or set apart for payment on the Common Stock, and, after such preferential dividends have been declared and paid, or declared and set apart for payment, dividends on the Common Stock, provided that participating dividends shall

be declared and paid, or declared and set apart for payment, on all shares of Series A Preferred Stock, share for share with the Common Stock, up to but not exceeding $1 per share if and when dividends in excess of $3.50 per share shall be declared or paid or set apart for payment on the Common Stock in respect of such year; and

(C) In respect of any period of three consecutive calendar years immediately preceding the date of payment and out of Available Net Income for the last of such years and earned surplus from prior calendar years: Preferential dividends in amounts sufficient when added to any preferential dividends declared and paid, or declared and set apart for payment, thereon during said three years to equal $5 per share on all shares of Series A Preferred Stock for each of said three years before any dividends shall be declared or paid, or set apart for payment, on the Common Stock, and, after such preferential dividends aggregating $15 per share have been declared and paid, or declared and set apart for payment, dividends on the Common Stock, provided that participating dividends shall be declared and paid, or declared and set apart for payment, on all shares of Series A Preferred Stock, share for share with the Common Stock, up to but not exceeding $1 per share if and when dividends in excess of $3.50 per share shall be declared or paid or set apart for payment on the Common Stock.

Any dividends declared and paid, or declared and set apart for payment, in respect of 1944 or 1945 or any such period of three consecutive calendar years, shall be deemed for all purposes of this Part A to have been declared and paid, or declared and set apart for payment, during the year in respect of which the dividends are declared payable.

(b) *Redemption.* Each share of Series A Preferred Stock shall be redeemable at a price equal to the par value thereof plus all unpaid dividends that have been declared thereon prior to the date fixed for such redemption.

(c) *Liquidation.* In the event of any dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive payment in full of the par value of their shares, plus all unpaid dividends that have been declared thereon, before any distribution of assets shall be made to the holders of shares of any series or class of stock junior to the Series A Preferred Stock; but if the distributable assets are insufficient to make such payment in full to the holders of the then outstanding shares of Series A Preferred Stock, such assets shall be distributed pro rata among such holders according to the number of shares of Series A Preferred Stock held by each.

(d) *Voting Rights.* At all meetings of stockholders of the corporation, each holder of shares of Series A Preferred Stock shall be entitled to one vote for each share of such stock held by him on all matters in respect of which the holders of any series or class shall be entitled to vote, subject to the following:

(i) At each election of directors until the preferential dividends declared and paid, or declared and set apart for payment, on all outstanding shares of Series A Preferred Stock shall aggregate $15 per share in respect of a period of three consecutive calendar years (excluding the calendar years 1944 and 1945), the smallest number of directors necessary to constitute a majority of the full Board of Directors shall be elected by the holders of shares of Series A Preferred Stock voting separately as a class, and the remaining directors to be elected shall be elected by the holders of shares of Common Stock voting separately as a class.

(ii) At each election of directors after the preferential dividends declared and paid, or declared and set apart for payment, on all outstanding shares of Series A Preferred Stock shall have aggregated $15 per share in respect of a period of three consecutive calendar years (excluding the calendar years 1944 and 1945) immediately

preceding such election, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall have equal voting rights per share in the election of directors unless and until the preferential dividends declared and paid, or declared and set apart for payment, on all outstanding shares of Series A Preferred Stock shall have aggregated less than $15 per share in respect of a subsequent period of three consecutive calendar years immediately preceding such election; whereupon at such election, and at each election of directors thereafter, directors shall again be elected in the manner provided in the foregoing subparagraph (i) of this paragraph (d) until the preferential dividends declared and paid, or declared and set apart for payment, on all outstanding shares of Series A Preferred Stock again shall aggregate $15 per share in respect of a subsequent period of three consecutive calendar years immediately preceding such election.

(iii) At each election of directors at which the holders of shares of Series A Preferred Stock are not entitled, voting separately as a class, to elect a majority of the Board of Directors under the provisions of subparagraph (i) of this paragraph (d), the holders of such shares as are present or represented at the meeting, voting separately as a class and in lieu of their cumulative voting rights, shall be entitled to elect two directors at such election if at the time of such election there shall remain unpaid preferential dividends on all such shares aggregating $7.50 per share, unless by cumulative voting the holders of all outstanding shares of Series A Preferred Stock are entitled to elect more than two directors at such election.

(iv) So long as any shares of Series A Preferred Stock are outstanding, the corporation shall not without the affirmative vote (given in writing or by resolution adopted, after due notice thereof, at an annual meeting of stockholders or at a special meeting of stockholders called for the purpose) of the holders of at least two-thirds of the total number of shares of Series A Preferred Stock then outstanding:

(A) Issue shares of any other series or class

of stock ranking prior to or on a parity with the shares of Series A Preferred Stock as to dividends or as to distribution of assets, or create, authorize or issue securities of any kind or class convertible into or exchangeable for shares of any series or class of stock ranking prior to or on a parity with the shares of Series A Preferred Stock as to dividends or as to distribution of assets; or

(B) Amend the Charter or By-Laws of the corporation so as to adversely affect in any material respect any of the preferences or other rights of the holders of the shares of Series A Preferred Stock.

Provisions Applicable to Additional Series of Preferred Stock:

Subject to the limitations of the preceding provisions of this Part A applicable to the shares of Series A Preferred Stock, the Board of Directors may authorize the issuance of any other authorized but unissued shares of Preferred Stock in one or more series (all shares of the same series to be identical in all respects), and determine and state, by resolution or resolutions authorizing the issuance of each such series:

(a) The designation of the series and the number of shares which shall constitute the series.

(b) The rate at which dividends are to be paid in respect of shares of such series, the extent to which such dividends shall be cumulative, the nature and extent of any preference or priority accorded to the shares of such series in relation to the shares of any other series or class of stock, and the nature and extent of any right of the holders of shares of such series to participate in dividends with the shares of any other series or class of stock.

(c) The redemption price of the shares of such series.

(d) The amount payable on the shares of such series

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the shares of Common Stock and to receive participating dividends upon the declaration or payment, or setting apart for payment, of dividends on the shares of Common Stock, as provided in Part A, the holders of shares of Common Stock shall be entitled to receive dividends, when and as declared payable from time to time by the Board of Directors, out of Available Net Income for the preceding calendar year or out of the accumulated earned surplus of the corporation for prior calendar years legally available therefor, provided that:

(A) So long as there shall remain outstanding under the corporation's General Mortgage to Harris Trust and Savings Bank, Trustee, dated as of January 1, 1944, any of the corporation's General Mortgage Bonds, no dividend shall be declared or paid, or set apart for payment, on the shares of Common Stock unless and until the corporation shall deposit with the Trustee under said Mortgage, as and for a sinking fund for the retirement of such bonds, an amount equal to 50% of such dividend or, in the event the dividend is payable in stock, 50% of the amount to be transferred from surplus to capital stock account in respect thereof; and

(B) After the retirement of all of said General Mortgage Bonds, and continuing so long as any shares of Preferred Stock shall remain outstanding, no dividend shall be declared or paid, or set apart for payment, on the shares of Common Stock unless and until there shall have been paid into the sinking fund for the retirement of shares of Preferred Stock as provided in Part A an amount equal to 50% of such dividend or, in the event the dividend is payable in stock, 50% of the amount to be transferred from surplus to capital stock account in respect thereof.

Liquidation. In the event of any dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, after there shall have been paid to the holders of shares of all series and classes of stock senior to the shares of Common Stock the full amounts to which they shall be

entitled, the holders of the then outstanding shares of Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the corporation available for distribution to its stockholders. The Board of Directors, by vote of a majority of the members thereof, may distribute in kind to the holders of the shares of Common Stock such remaining assets of the corporation or may sell, transfer or otherwise dispose of all or any part of such remaining assets to any other corporation and receive payment therefor in cash, stock or obligations of such other corporation, or any combination thereof, and may sell all or any part of the consideration so received, and distribute any balance thereof in kind to the holders of the shares of Common Stock.

Voting Rights. Subject to the provisions of Parts A and C hereof, each holder of one or more shares of Common Stock shall be entitled to one vote for each share of such stock held by him at all meetings of stockholders of the corporation.

PART C—GENERAL PROVISIONS.

Issuance and Retirement of Stock. Of the authorized shares of capital stock of the corporation:

(a) 1,121,740 shares of Series A Preferred Stock shall be issued for distribution pursuant to and in consummation of the Plan, and shall be deemed to be fully paid and non-assessable.

(b) 15 shares of Common Stock shall be issued forthwith to or upon the order of the Reorganization Committee under the Plan, upon payment to the corporation of $100 per share in cash.

(c) 2,123,214 shares of Common Stock shall be issued for distribution pursuant to and in consummation of the Plan, and shall be deemed to be fully paid and non-assessable.

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(d) 514,221 shares of Common Stock shall be reserved for issuance upon the conversion of $51,422,100 principal amount of the corporation's General Mortgage 4½% Convertible Income Bonds, Series B, due January 1, 2044, issued and distributed pursuant to and in consummation of the Plan, and when and as such shares are issued upon such conversion they shall be deemed to be fully paid and non-assessable.

(e) Subject to the provisions of Part A hereof and to any approval of the Interstate Commerce Commission or other public regulatory body required by law, the authorized but unissued shares of any series or class of stock of the corporation, and the shares of any series or class of stock purchased, redeemed, converted, exchanged or otherwise acquired by the corporation, may be issued, sold or otherwise disposed of by the corporation for such amount of consideration (not less than the par value of shares having a par value) and upon such other terms and conditions as the Board of Directors may by resolution from time to time fix and determine in connection with the issue, sale or other disposition thereof.

Available Net Income. Available Net Income of the corporation for any calendar year for the purpose of determining dividends on the shares of Series A Preferred Stock shall be deemed to be "Available Net Income" as defined and made applicable for the purpose in the corporation's First Mortgage to Continental Illinois National Bank and Trust Company of Chicago, as Trustee, dated as of January 1, 1944, and its General Mortgage to Harris Trust and Savings Bank, as Trustee, dated as of January 1, 1944, so long as either of said mortgages shall remain in effect, and thereafter shall be deemed to be the net income of the corporation available for dividends as determined in accordance with sound accounting practices.

Earned surplus of the corporation at the date of consummation of the Plan, representing accumulated Available Net

Income from operations of the corporation's properties under said Bankruptcy Act after January 1, 1944, shall be and be deemed to be earned surplus of the corporation available for dividends on the shares of Series A Preferred Stock and Common Stock issued pursuant to the Plan.

Discretion of Directors as to Reserves and Dividends. The Board of Directors shall have authority from time to time to set apart out of any assets of the corporation otherwise available for dividends a reserve or reserves as working capital or for any other proper purpose or purposes, and to reduce, abolish or add to any such reserve or reserves from time to time as said board may deem to be in the interests of the corporation; and said board shall likewise have power to determine in its discretion what part of the assets of the corporation available for dividends in excess of such reserve or reserves shall be declared as dividends and paid to the holders of the shares of any series or class of stock of the corporation.

Pre-emptive Rights, etc. No holder of shares of any series or class of stock of the corporation shall have any preemptive or preferential right to purchase or subscribe for any shares of any series or class of stock of the corporation, whether now or hereafter authorized, or any obligations convertible into stock of the corporation, whether or not exchangeable for any stock of the corporation of any other series or class or classes, nor any right of purchase of or subscription for any thereof other than such, if any, as the Board of Directors in its discretion may from time to time determine, and at such price as the Board of Directors may from time to time fix; and any shares of stock or convertible obligations which the Board of Directors may determine to offer for subscription to the holders of stock may, as the Board shall determine, be offered to holders of any series

or class of stock exclusively or to the holders of all series and classes of stock, and, if offered to more than one series or class of stock, in such proportions as between said series or classes of stock as the Board of Directors in its discretion may determine. As used in this paragraph, the expression "convertible obligations" shall include any notes, bonds or other evidences of indebtedness to which are attached or with which are issued warrants or other rights to purchase or receive stock of the corporation of any series or class or classes; and the Board of Directors is hereby expressly authorized, in its discretion, in respect of any obligations or stock of the corporation, to grant rights or options to purchase or receive stock of the corporation of any series or class, upon such terms and during such period as the Board shall determine, and to cause such rights or options to be evidenced by such warrants or other instruments as it may deem advisable.

Voting. Subject to the provisions of Part A hereof, each holder of record of shares of any series or class of stock entitled to vote at any meeting of stockholders, or at any meeting of holders of any class of stock or of one or more series thereof, shall, as to all matters in respect of which such stock has voting power, be entitled to one vote for each share of such stock standing in his, her or its name on the books of the corporation, and may cast such vote in person or by proxy; except that (a) at each election of directors by a series or class of shares voting separately as a class, each holder of one or more shares of the series or class of stock entitled to vote thereat shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected at such election, or to cumulate such votes and give one candidate as many votes as the number of directors to be elected at such election multiplied by the number of his shares shall equal,

or to distribute them on the same principle among as many candidates as he shall think best, and (b) at each other election of directors each holder of one or more shares of any series or class of stock entitled to vote thereat shall have the right to vote or cumulate his votes on the same principle as provided in the case of class voting.

Record Dates. The Board of Directors shall have power to close the stock transfer books of the corporation for a period not exceeding 50 days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding 50 days in connection with obtaining the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid, the By-Laws may fix or authorize the Board of Directors to fix in advance a date, not exceeding 50 days, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise such rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be holders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

Quorum at Stockholders' Meetings. At any meeting of the stockholders the holders of record of one-third of the total

number of outstanding shares of stock of the corporation entitled to vote, present in person or represented by proxy, shall constitute a quorum for all purposes; provided that at any meeting at which the holders of any series or class of stock shall be entitled, voting as a class, to elect directors, the holders of record of one-third of the total number of outstanding shares of such series or class, present in person or represented by proxy, shall constitute a quorum for the purpose of election of directors.

Voting Trusts. Shares of one or more series or classes of stock in the corporation may be deposited with, or issued and outstanding shares of one or more series or classes of stock of the corporation may be transferred to, a trustee or trustees, pursuant to written agreement, for the purpose of conferring upon such trustee or trustees the right to vote and otherwise represent such shares in the manner and upon the conditions and for such period of time, not exceeding five years, as may be provided in such agreement. A copy of each such agreement shall, so long as it shall remain in effect, be kept on file in each office or agency where stock of the corporation may be transferred, and shall be open to inspection at any time during usual business hours by any holder of outstanding shares of the corporation or any beneficiary of the trust under said agreement or the duly authorized representative or representatives of either. Such trustee or trustees may vote the stock so issued or transferred during the period in such agreement specified. Stock standing in the names of such trustee or trustees may be voted either in person or by proxy; and in voting such stock, such trustee or trustees shall incur no responsibility as stockholder, trustee or otherwise, except for his or their own individual malfeasance. If there be more than one trustee named in such agreement, to the extent that the right and method of voting any stock standing in their names at a meeting of stockholders are not fixed by such agreement, the

right to vote such stock and the manner of voting the same at such meeting shall be determined by a majority of such trustees. Such agreement may contain provisions for the resignation or removal of any trustee and the filling of any vacancy resulting from the death, resignation or removal of a trustee.

Scrip. In any appropriate instance, the corporation may, in lieu of issuing and delivering stock certificates evidencing fractions of shares of stock, issue and deliver scrip certificates for such fractions, the provisions of which may, among other things, authorize the sale of the fractions represented thereby for the account of the holders thereof, and may suspend or negative voting, conversion, redemption, dividend and other rights with respect to such fractions while such scrip certificates remain outstanding.

Restrictions on Certain Corporate Action. The corporation shall not without the written consent, or affirmative vote at a meeting duly convened for the purpose, of the holders of at least a majority of the shares of the Preferred Stock issued and then outstanding and entitled to vote, and of holders of a majority of the shares of Common Stock issued and then outstanding and entitled to vote, each acting separately as a class,

(a) create or permit to be created any mortgage or other lien upon any of its physical properties, but this clause shall not be deemed to apply to any of the mortgages provided for in the Plan, or to purchase money liens upon property acquired subsequent to January 1, 1944, which are for not more than 75% of the purchase price of such property, or to mortgages, conditional sale, lease or other such agreements, heretofore or hereafter created to finance the acquisition of equipment, or to judgment, tax, mechanics' and other such liens attaching in the ordinary course of business; or

(b) merge or consolidate with any other corporation,

or dispose of its assets as an entirety or substantially as an entirety by sale, lease or otherwise, but this clause shall not limit any right of the corporation to acquire any properties or assets of another corporation by purchase or lease therefrom or upon liquidation thereof; or

(c) effect any amendment of the corporation's Charter and Articles of Incorporation, as hereby amended, in such manner as to substantially affect the rights or interests of the holders of any of such shares; provided that no series of Preferred Stock at any time issued by the Board of Directors within the authorized shares of Preferred Stock pursuant to Part A hereof, and no acquisition of additional lines of railroad or other property by the corporation, shall be deemed, for the purposes of this clause, to be an amendment of the corporation's Charter and Articles of Incorporation, as hereby amended.

ARTICLE V.

Subject to the requirements of Article IV of these Amendments, the corporation shall have, and hereby reserves, the right to amend from time to time its Charter and Articles of Incorporation upon the affirmative vote of holders of a majority of the shares of stock of the corporation at the time issued and outstanding and entitled to vote.

UNITED STATES OF AMERICA } ss.
NORTHERN DISTRICT OF ILLINOIS }

I, ROY H. JOHNSON, Clerk of the District Court of the United States of America for the Northern District of Illinois, do hereby certify the above and foregoing to be a true and correct copy of an order made and entered in said Court on the 26th day of November, A. D. 1945, including Exhibits A and B attached to and made a part of said order, as fully as the same appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court at my office in Chicago, in said District, this 27. day of November, A. D. 1945.

Roy H. Johnson
Clerk

By... S. M. Shepard
Deputy Clerk

State of Wisconsin } ss.
DEPARTMENT OF STATE }

Received this 28th day of Nov. A. D. 1945 at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on page 278 et seq.

[illegible]
Assistant Secretary of State

CONDITIONAL SALES CONTRACT

THIS AGREEMENT, made this 1st day of October, 1945, between NORTHWESTERN IMPROVEMENT COMPANY, a Delaware corporation, hereinafter called the "Vendor", and NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation, hereinafter called the "Vendee".

WITNESSETH:

That in consideration of the mutual promises of the parties hereto, hereinafter set forth, the parties agree as follows:

I.

The Vendor agrees to sell and the Vendee agrees to buy, F.O.B. Northern Pacific tracks, the following described personal property:

1	American Locomotive Company Diesel electric switching locomotive, 660 H.P., No. 131	$ 59,918.30
8	Baldwin Locomotive Works Diesel electric switching locomotives, 1000 H.P., Nos. 167 to 174, inclusive	630,200.38
30	Austin-Western Company air dump cars, Nos. 89070 to 89099, inclusive	189,859.20
	Total Purchase Price	$879,977.88

II.

The Vendee agrees to pay the total purchase price of the above-described personal property, namely, Eight Hundred Seventy-nine Thousand Nine Hundred Seventy-seven and 88/100 Dollars ($879,977.88) in eighty-four equal monthly installments with interest at one and one-half per cent (1½%) per annum upon deferred balances. The amount of each equal monthly installment is Eleven Thousand Forty-two and 07/100 Dollars ($11,042.07), and said installments shall be paid by the Vendee to the Vendor on the first day of each

and every month beginning January 1, 1946, and ending December 1, 1952, all as set forth in Exhibit "A", attached hereto and by this reference made a part hereof. The amount of said monthly installments which shall be applied on principal and the amount which shall be applied on interest is as shown in Exhibit "A", and is hereby agreed to by the Vendor and the Vendee. Said monthly payments shall be made at the office of the Treasurer of the Vendor in Saint Paul, Minnesota.

In addition to the purchase price heretofore stated in the foregoing paragraph the Vendee agrees to pay to the Vendor upon the execution of this contract the additional sum of One Thousand Two Hundred and 21/100 Dollars ($1,200.21) which said sum represents the amount of accrued interest from the average date of delivery of said equipment to November 30, 1945, at the rate of one and one-half per cent (1½%) per annum. Vendor acknowledges receipt of the payment of said sum of One Thousand Two Hundred and 21/100 Dollars ($1,200.21).

III.

The Vendee may on the first day of any month elect to pay the Vendor, and the Vendor agrees to accept, the total amount of the unpaid balance together with interest thereon to the date such payment is made, and upon such payment being made, the Vendee shall be entitled to a bill of sale of said equipment.

IV.

The Vendee agrees that until all of the purchase price is paid that it will have said Diesel electric locomotives and air dump cars marked on each side with the name of the Vendor as owner.

V.

It is understood and agreed that said Diesel electric switching locomotives and air dump cars heretofore described shall remain the property of the Vendor until the full purchase price has been paid by the Vendee together with interest as herein provided, and that on the failure of the Vendee to make payment according to the terms of this contract or to comply with any of the agreements herein contained, the Vendor may take immediate possession of said Diesel electric switching locomotives and air dump cars, and all sums paid thereon shall be forfeited to the said Vendor for rental for the use of said equipment.

VI.

The Vendee covenants and agrees that so long as this contract remains in force and before same becomes delinquent according to law to pay all taxes and assessments that may be levied or assessed or may become a lien or become payable on said equipment subsequent to the date of this contract.

VII.

Vendee accepts the risk of destruction of all or any part of said equipment by fire or other causes, and the destruction or damage of all or any part of said equipment described in this contract shall not constitute a failure of consideration, and the Vendee agrees to make the payments herein provided for irrespective of the destruction or damage to all or any part of said equipment by any cause whatsoever.

VIII.

Notice of cancellation of this contract or forfeiture thereof for any breach of notice of the exercise of any other right reserved to the Vendor herein shall be addressed to the Vendee at Saint Paul, Minnesota, and the

depositing of said notice in a United States Post Office, with postage affixed, shall constitute a good and sufficient notice of service thereof.

IX.

Vendor agrees that upon the performance of this contract by the Vendee, it will execute and deliver a bill of sale transferring title to all of said equipment to said Vendee.

X.

Save as herein otherwise provided, this contract shall bind and inure to the benefit of the respective representatives, successors, and assigns of both parties.

NORTHWESTERN IMPROVEMENT COMPANY

By _____ Vice President

Attest: _____ Secretary

Signed, sealed and delivered in the presence of:

_____

_____

NORTHERN PACIFIC RAILWAY COMPANY

By _____ Vice President

Attest: _____ Assistant Secretary

Signed, sealed and delivered in the presence of:

_____

_____

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STATE OF MINNESOTA)
)ss
COUNTY OF RAMSEY)

On this 1st day of October , 1945, before me appeared B. W. Scandrett , to me personally known, who being duly sworn stated that he is the Vice President of the Northern Pacific Railway Company; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was executed in behalf of said corporation by authority of its board of directors, and said B. W. Scandrett acknowledged said instrument to be the free act and deed of said corporation.

G.T.C.Peterson
Notary Public, Ramsey County, Minnesota,
My commission expires Oct. 21, 1949.

STATE OF MINNESOTA)
)ss
COUNTY OF RAMSEY)

On this 1st day of October , 1945, before me appeared J. M. Hughes , to me personally known, who being duly sworn stated that he is the Vice President of the Northwestern Improvement Company; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was executed in behalf of said corporation by authority of its board of directors, and said J. M. Hughes acknowledged said instrument to be the free act and deed of said corporation.

G.T.C.Peterson
Notary Public, Ramsey County, Minnesota,
My commission expires Oct. 21, 1949.

Exhibit A

NORTHERN PACIFIC RAILWAY COMPANY

Schedule of payments of $879,977.88 principal amount under conditional sales contract with Northwestern Improvement Company, payable in 84 equal monthly installments with interest at 1½% per annum.

Payment No.	Due	Applied on principal	Interest	Balance due
1	January 1, 1946	$ 9 942.10	$ 1 099.97	$870 035.78
2	February 1, "	9 954.53	1 087.54	860 081.25
3	March 1, "	9 966.96	1 075.09	850 114.27
4	April 1, "	9 979.43	1 062.64	840 134.84
5	May 1, "	9 991.91	1 050.16	830 142.93
6	June 1, "	10 004.40	1 037.67	820 138.53
7	July 1, "	10 016.90	1 025.17	810 121.63
8	August 1, "	10 029.42	1 012.65	800 092.21
9	September 1, "	10 041.96	1 000.11	790 050.25
10	October 1, "	10 054.52	987.55	779 995.73
11	November 1, "	10 067.08	974.99	769 928.65
12	December 1, "	10 079.67	962.40	759 848.98
13	January 1, 1947	10 092.27	949.80	749 756.71
14	February 1, "	10 104.89	937.18	739 651.82
15	March 1, "	10 117.51	924.56	729 534.31
16	April 1, "	10 130.16	911.91	719 404.15
17	May 1, "	10 142.82	899.25	709 261.33
18	June 1, "	10 155.50	886.57	699 105.83
19	July 1, "	10 168.19	873.88	688 937.64
20	August 1, "	10 180.90	861.17	678 756.74
21	September 1, "	10 193.63	848.44	668 563.11
22	October 1, "	10 206.37	835.70	658 356.74
23	November 1, "	10 219.13	822.94	648 137.61
24	December 1, "	10 231.90	810.17	637 905.71
25	January 1, 1948	10 244.69	797.38	627 661.02
26	February 1, "	10 257.50	784.57	617 403.52
27	March 1, "	10 270.32	771.75	607 133.20
28	April 1, "	10 283.16	758.91	596 850.04
29	May 1, "	10 296.01	746.06	586 554.03
30	June 1, "	10 308.89	733.18	576 245.14
31	July 1, "	10 321.77	720.30	565 923.37
32	August 1, "	10 334.67	707.40	555 588.70
33	September 1, "	10 347.59	694.48	545 241.11
34	October 1, "	10 360.53	681.54	534 880.58
35	November 1, "	10 373.48	668.59	524 507.10
36	December 1, "	10 386.44	655.63	514 120.66
37	January 1, 1949	10 399.43	642.64	503 721.23
38	February 1, "	10 412.42	629.65	493 308.81
39	March 1, "	10 425.44	616.63	482 883.37
40	April 1, "	10 438.47	603.60	472 444.90
41	May 1, "	10 451.52	590.55	461 993.38
42	June 1, "	10 464.58	577.49	451 528.80
43	July 1, "	10 477.67	564.40	441 051.13
44	August 1, "	10 490.76	551.31	430 560.37
45	September 1, "	10 503.88	538.19	420 056.49
46	October 1, "	10 517.01	525.06	409 539.48
47	November 1, "	10 530.15	511.92	399 009.33
48	December 1, "	10 543.31	498.76	388 466.02

Payment No.	Due	Applied on principal	Interest	Balance due
49	January 1, 1950	10 556.49	$ 485.58	$377 909.53
50	February 1, "	10 569.69	472.38	367 339.84
51	March 1, "	10 582.90	459.17	356 756.94
52	April 1, "	10 596.13	445.94	346 160.81
53	May 1, "	10 609.38	432.69	335 551.43
54	June 1, "	10 622.64	419.43	324 928.79
55	July 1, "	10 635.92	406.15	314 292.87
56	August 1, "	10 649.21	392.86	303 643.66
57	September 1, "	10 662.52	379.55	292 981.14
58	October 1, "	10 675.85	366.22	282 305.29
59	November 1, "	10 689.19	352.88	271 616.10
60	December 1, "	10 702.56	339.51	260 913.54
61	January 1, 1951	10 715.93	326.14	250 197.61
62	February 1, "	10 729.33	312.74	239 468.28
63	March 1, "	10 742.74	299.33	228 725.54
64	April 1, "	10 756.17	285.90	217 969.37
65	May 1, "	10 769.62	272.45	207 199.75
66	June 1, "	10 783.08	258.99	196 416.67
67	July 1, "	10 796.56	245.51	185 620.11
68	August 1, "	10 810.05	232.02	174 810.06
69	September 1, "	10 823.56	218.51	163 986.50
70	October 1, "	10 837.09	204.98	153 149.41
71	November 1, "	10 850.64	191.43	142 298.77
72	December 1, "	10 864.20	177.87	131 434.57
73	January 1, 1952	10 877.78	164.29	120 556.79
74	February 1, "	10 891.38	150.69	109 665.41
75	March 1, "	10 905.00	137.07	98 760.41
76	April 1, "	10 918.63	123.44	87 841.78
77	May 1, "	10 932.27	109.80	76 909.51
78	June 1, "	10 945.94	96.13	65 963.57
79	July 1, "	10 959.62	82.45	55 003.95
80	August 1, "	10 973.32	68.75	44 030.63
81	September 1, "	10 987.04	55.03	33 043.59
82	October 1, "	11 000.78	41.29	22 042.81
83	November 1, "	11 014.52	27.55	11 028.29
84	December 1, "	11 028.29	13.78	-

STATE OF MINNESOTA
DEPARTMENT OF STATE
I hereby certify that the within instrument was filed for record in this office on the 27 day of Dec. A. D. 1945 at 1:30 o'clock P. M., and was duly recorded in Book 20 Corp. Records, Articles of Incorporation on page 45
Mike Holm
Secretary of State

APPR'D & FILED
INDEXED .....
IND. FILED .....
DEL. CHECKED.....

State of Wisconsin
DEPARTMENT OF STATE
Received this 4th day of January A. D. 1946 at 1:30 o'clock P.M. and recorded in Vol. 38 of Railroad Mortgages on pages 315 ET SEQ.
Secretary of State

Filed for record on the 27 day of Dec. A.D.1945, at 2:00 o'clock P.M.

AGREEMENT OF ASSIGNMENT

Between

AMERICAN CAR AND FOUNDRY COMPANY,
Assignor,

CENTRAL HANOVER BANK AND TRUST COMPANY,
Assignee,

and

GREAT NORTHERN RAILWAY COMPANY

AGREEMENT, dated as of January 1, 1946, between AMERICAN CAR AND FOUNDRY COMPANY, a corporation of the State of New Jersey, hereinafter referred to as the "Manufacturer", party of the first part, and CENTRAL HANOVER BANK AND TRUST COMPANY, a corporation of the State of New York, with its principal place of business at 70 Broadway, New York, N. Y., hereinafter referred to as the "Bank", party of the second part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", as party of the third part:

WHEREAS, the Manufacturer and the Railroad have entered into a Conditional Sale Agreement, hereinafter called the "Agreement," dated as of July 26, 1945, covering two hundred fifty (250) 52-foot, 70-ton capacity, high tensile, low carbon, steel underframe flat cars, of welded construction throughout, bearing the Railroad's Nos. 66000 to 66249, both inclusive, and hereinafter sometimes referred to as "equipment"; and

WHEREAS, said Agreement provides for a purchase price of Three Thousand Five Hundred Forty-one and 75/100 Dollars ($3,541.75) per unit of said equipment, aggregating Eight Hundred Eighty-five Thousand Four Hundred Thirty-seven and 50/100 Dollars ($885,437.50); and

WHEREAS, twenty per cent (20%) of such purchase price has heretofore been paid and the remainder is payable in one hundred twenty (120) equal monthly installments, with interest, excepting only that the final monthly payment of principal shall be such as to extinguish the debt then remaining after application of all previous payments credited thereto, all as therein provided; and

WHEREAS, said equipment has been delivered to, and is now in possession of, the Railroad, title having been retained by the Manufacturer, as provided in said Agreement; and

WHEREAS, the Bank has agreed to purchase the rights of the Manufacturer under said Agreement in and to the said equipment and the payment of the remainder of the purchase price therefor, and accrued interest, as provided in the said Agreement, and the Manufacturer has agreed to assign the same to the Bank;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Million Five Hundred Sixty-five Thousand Eight Hundred Twenty-four Dollars ($1,565,824.00), plus accrued interest thereon from the date of this assignment to the date of delivery hereof, at the annual rate referred to in paragraph 5 hereof, paid by the Bank to the Manufacturer, at or before the ensealing and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by Section 3 of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Seller) thereunder as therein defined without any

recourse, however, against the Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with any of the provisions of, the said Agreement, provided, however, that this assignment shall not subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or as to any warranty or indemnity with respect thereto contained in said Agreement; it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforcible by the Railroad, its 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 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 its own name, but at the expense and liability and for the sole benefit of the Bank, all sums payable and all action to be taken by the Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract and, according to its terms, binding upon the parties thereto, and that it will secure an opinion of counsel of the Railroad that said Agreement and this As-

signment have been or will be filed, registered, deposited and recorded in accordance with the provisions of paragraph 17 of said Agreement.

2. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this Assignment; that the same is 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 delivery of the said equipment by the Manufacturer to the Railroad and/or to the Bank; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

3. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any installment of the purchase price, or any part thereof, to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement, or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

4. The Manufacturer shall, concurrently with this Agreement, deliver to the Bank a certificate executed by an agent theretofore designated by the Railroad for that purpose, stating that the units of said equipment, specified by numbers in such certificate, have been delivered to and accepted on its behalf by such agent. The Railroad has agreed that the execution of such certificate of acceptance shall be conclusive evidence that the units of said equipment covered thereby conform to specifications and are acceptable to the Railroad in all details. The Manufacturer warrants that there was, at the time of the delivery of each unit of said equipment to the Railroad, plainly, permanently and conspicuously placed and fastened upon each side a metal plate or markings indicating the Manufacturer as Owner or the Central Hanover Bank and Trust Company, Owner, as Assignee of American Car and Foundry Company, Manufacturer and Prior Owner, and the Railroad warrants that promptly upon the consummation of this Agreement there will be plainly, permanently and conspicuously placed, fastened and maintained upon each side, in place of the aforesaid plate or markings, a metal plate, bearing the following words:

"CENTRAL HANOVER BANK AND TRUST COMPANY, OWNER.
AS ASSIGNEE OF AMERICAN CAR AND FOUNDRY COMPANY,
MANUFACTURER AND PRIOR OWNER."

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5. The Bank in consideration of the making of this assignment by the Manufacturer and in consideration of the covenants of the Railroad herein set forth, agrees that the rate of interest upon deferred payments provided for in said Agreement upon all principal amounts due under said Agreement, and unpaid at the date of this assignment and becoming payable from and after such date shall be one and sixty-three hundredths per cent (1.63%) per annum.

6. The Railroad in consideration of the foregoing covenants of the Bank has delivered to the Bank at the time of the execution of this instrument, its promissory note in the form hereunto attached and marked Exhibit X in favor of the Bank, to further evidence, but not in payment of, the indebtedness due from the Railroad under said Agreement and in the full presently remaining principal amount of said indebtedness, payable at the times and in the amount provided in said Agreement for the payment of said indebtedness, with interest at the annual rate above provided for in paragraph 5, and has paid to the Manufacturer all interest accrued under the terms of said Agreement up to the date of this assignment. The Bank agrees that all partial payments of the purchase price indebtedness shall correspondingly reduce said indebtedness as evidenced by said Agreement and shall likewise be endorsed upon said note.

7. The Bank hereby accepts the aforementioned note as further evidence, but not in payment, of the Railroad's obligation to pay the presently unpaid purchase price of the equipment so conditionally sold. The Bank agrees that it will not assign or transfer its interest in said Agreement, or in said equipment, without transferring the said promissory note to the same party or parties, and that it will not endorse, transfer nor assign said promissory note without also assigning its interest in said Agreement, including its title to said equipment, to the same party or parties. The Bank further agrees not to assign its interest in said Agreement or the title to said equipment, unless its assignee shall by the terms of the assignment or otherwise assume and become bound by such of the provisions of said Agreement as an assignee is required to assume and become bound by under the terms of paragraph 3 of said Agreement. The Bank further agrees that it will not endorse or transfer said note or assign its interest in said Agreement or the title to the equipment without requiring of the endorsee, assignee or transferee an agreement similar to that made by the Bank in this paragraph.

8. The Railroad and Bank expressly acknowledge and agree that said note has not been executed, delivered nor accepted in payment of the indebtedness or obligation of the Railroad for the payment of the purchase price of said equipment, but solely as further evidence of said indebtedness. The Railroad and Bank further acknowledge, covenant and agree that neither the execution, delivery nor acceptance of said note shall in any way impair or otherwise affect the title of the Bank in and to said equipment. Said title (subject only to the rights of the Railroad to obtain a transfer thereof in the event of the full payment of the purchase price and performance of other obligations, all as provided in said Agreement) is hereby expressly confirmed and acknowledged.

9. The Railroad hereby represents and warrants that the issuance of said note has been authorized and approved by the Interstate Commerce Commission by order dated August 29, 1945, and by the Executive Committee or the Board of Directors of the Railroad.

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STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

I, .. EDWARD F. RYAN ....., 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 10 day of January, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Central Hanover Bank and Trust Company to the within and foregoing instrument, W. B. Hopkins and E. S. Brown, each to me personally known and known to me to be respectively Vice President and Assistant Secretary of the Central Hanover Bank and Trust 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such, and the said W. B. Hopkins and E. S. Brown, 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. B. Hopkins resides at 73 Porter Place in the City of Montclair, State of New Jersey, and that the said E. S. Brown resides at 56 Decatur Ave. in the City of Nutley,

State of New York; that said W. B. Hopkins is Vice President and said E. S. Brown is Assistant Secretary of the Central Hanover Bank and Trust Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by order and authority of the Board of Trustees 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 Assistant 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.

Edward F. Ryan

EDWARD F. RYAN
Notary Public, Nassau Co. No. 2016
Cert. Filed in N. Y. Co. Insert 1, Reg. No. 30[illegible]
Term Expires March 30, 1947

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STATE OF MINNESOTA,
COUNTY OF RAMSEY } ss.

I, Alpha M. Sarchet, 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 10 day of January, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, Edwin C. Matthias and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 Edwin C. Matthias and F. L. Paetzold, 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 Edwin C. Matthias resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St. Paul, State of Minnesota; that said Edwin C. Matthias is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and

which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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.

Alpha M. Sarchet

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EXHIBIT X.

St. Paul, Minn., January 1, 1946.

FOR VALUE RECEIVED, GREAT NORTHERN RAILWAY COMPANY (hereinafter called the "Railroad"), promises to pay to CENTRAL HANOVER BANK AND TRUST COMPANY, at such bank or banks as said Payee, or its successors or assigns, may from time to time designate, in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the principal sum of Seven Hundred Eight Thousand Three Hundred Fifty Dollars ($708,350.00), together with interest upon the balance thereof remaining unpaid from time to time at the rate of one and sixty-three hundredths per cent (1.63%) per annum, said principal to be payable at the following times, to-wit:

The sum of Five Thousand Nine Hundred Two and 92/100 Dollars ($5,902.92) on the 1st day of February, 1946, and on the 1st day of each calendar month thereafter until the principal sum hereof shall have been paid, excepting only that the final monthly payment of principal shall be such as to extinguish the debt then remaining after application of all previous payments credited thereto, the interest then accrued and unpaid at said rate to be payable upon each date upon which installments of principal shall be payable as aforesaid.

This note is given to further evidence, but not in payment of, an indebtedness of the Railroad to said Central Hanover Bank and Trust Company for the unpaid portion of the purchase price of two hundred fifty (250) flat cars purchased by the Railroad from American Car and Foundry Company,

under a conditional sale agreement dated as of July 26, 1945, and assigned to the Payee herein, and all payments of principal and interest upon this note shall be applied pro tanto in discharge of said indebtedness.

Any payment to be made under the provisions of this note may be made at the option of the Railroad in advance of maturity on any payment date and in inverse order of maturity.

GREAT NORTHERN RAILWAY COMPANY,

By.....
Vice President.

Attest: .....
Secretary.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 25th day of January A. D. 1946 at 3:00 o'clock P. M. and recorded in Vol. 36 of Railroad Mortgages on pages 319 et seq.

John C. Thurmaier
Assistant Secretary of State

Executed in
19 Counterparts
Counterpart No 4

Supplemental Agreement

DATED AS OF DECEMBER 29, 1945

BETWEEN

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

AND

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

AMENDING CONDITIONAL SALE AGREEMENT DATED AS OF JUNE 1, 1945, TO PERMIT SHIPMENT OF CERTAIN LOCOMOTIVES FROM SELLER'S McCOOK, ILLINOIS, PLANT ON OR BEFORE JUNE 30, 1946.

Supplemental Agreement and Assignment

DATED AS OF DECEMBER 31, 1945

BETWEEN

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

AND

SEATTLE-FIRST NATIONAL BANK

THE DUNHAM-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

This Supplemental Agreement, dated as of December 29, 1945, by and between **GENERAL MOTORS CORPORATION**, a corporation of the State of Delaware (Electro-Motive Division), with an office and place of business in the Village of McCook (Post Office address LaGrange), Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and **CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY**, a corporation organized and existing under the laws of the State of Wisconsin, (hereinafter sometimes referred to as the "Buyer"), as party of the second part;

WITNESSETH, That:

WHEREAS, the Seller and Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, entered into a written Conditional Sale Agreement, dated as of June 1, 1945, covering the construction, sale and delivery by the Seller, and the purchase and acceptance by the Buyer, of five (5) new 4000 horsepower Diesel Electric Passenger Locomotives, bearing Buyer's Road Numbers 16A-16B; 17A-17B; 18A-18B; 19A-19B and 20A-20B; and five (5) new 5400 horsepower Diesel Electric Freight Locomotives, bearing Buyer's Road Numbers 35A-35B-35C-35D; 36A-36B-36C-36D; 37A-37B-37C-37D; 38A-38B-38C-38D and 39A-39B-39C-39D; upon and subject to the terms and conditions as provided therein; and

WHEREAS, the Seller entered into a written Agreement and Assignment, dated as of June 5, 1945, with Seattle-First National Bank, a national banking association having

its principal office in the City of Seattle, State of Washington, whereby the Seller sold, assigned, transferred and set over unto said Bank, as Assignee, all of the right, title and interest of the Seller under said Conditional Sale Agreement in and to said Locomotives upon and subject to the terms and conditions as provided therein; and

WHEREAS, said Conditional Sale Agreement and said Agreement and Assignment, which were filed, registered and recorded, as required by law, in the States of Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Hennepin County in the State of Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, King County in the State of Washington, and Wisconsin, provided that the parties thereto would be released from their several obligations thereunder with respect to such of said Locomotives as shall not have been shipped from the Seller's works at McCook, Illinois, on or before December 31, 1945; and

WHEREAS, because of delays due to causes beyond the control of the parties thereto, five of said 4000 horsepower Diesel Electric Passenger Locomotives, being the ones bearing Buyer's Road Numbers 16A-16B; 17A-17B; 18A-18B; 19A-19B and 20A-20B, will not be shipped from the Seller's works at McCook, Illinois, on or before December 31, 1945, and the parties hereto desire to amend said Conditional Sale Agreement to provide that said Locomotives may be shipped from the Seller's works at McCook, Illinois, on or before June 30, 1946; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and

authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized company to assume the unpaid principal balance under said Conditional Sale Agreement of June 1, 1945; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded to all the rights and obligations of the Railroad Trustees under said Conditional Sale Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. The seventh paragraph of Section 1, being the fourth full paragarph on Page 4 of said Conditional Sale Agreement, dated as of June 1, 1945, is hereby amended to read as follows:

> "In case all of the units of the Equipment shall not be shipped from the Seller's Works at McCook, Illinois, on or before June 30, 1946, the parties hereto shall be released from their several obligations under this Agreement with respect to such units of the Equipment as shall not have been shipped from Seller's Works at McCook, Illinois, on or before June 30, 1946."

2. Said Conditional Sale Agreement, dated as of June 1, 1945, as herein amended, shall remain and continue in full force and effect between the parties hereto, in accordance with the terms, conditions and provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective proper officers and their respective seals to be hereunto affixed, duly attested by their respective Secretaries or Assistant

Secretaries or Cashiers or Assistant Cashiers, all as of the day, month and year first herein written.

General Motors Corporation
(Electro-Motive Division),

By C. R. Osborn
Vice President.

Attest:

A. D. Pedlar
Assistant Secretary.

Signed, sealed and delivered by General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. Drew
M. L. Klentler
Attesting Witnesses.

Chicago, Milwaukee, St. Paul and Pacific Railroad Company,

By J. W. Severs
Vice President and Comptroller.

Attest: T. W. Burtness
Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company in the presence of:

[illegible signature]
J. R. Hynes
Attesting Witnesses.

State of Illinois, }
County of Cook. } ss:

I, James Forna, 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 11th day of February, 1946, 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 C. R. Osborn and A. D. Pedlar, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division), 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 C. R. Osborn 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 C. R. Osborn resides in Hinsdale, in the State of Illinois, and that said A. D. Pedlar resides in Western Springs, in the State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), the corporation described in and which executed the within and foregoing instrument in writing; that they, said C. R. Osborn, a Vice President, and A. D. Pedlar, an

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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 a Vice President and an 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 January 12 1950

James Forna
Notary Public in and for the State of Illinois, County of Cook.

Form 13A

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 James Forna 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 26 day of Feb 1946

Michael J. Flynn
County Clerk.

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State of Illinois, }
County of Cook. } ss.

I, Ruth E. Hall, 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 5th day of February, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller, and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller, and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller, and 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 .....
September 1, 1947.

Ruth E. Hall
Notary Public in and for the State of Illinois, County of Cook.

Form 12A

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 emplanatory, that Ruth E. Hall 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 26 day of Sept 19 46

Michael J. Flynn
County Clerk.

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This Supplemental Agreement and Assignment, dated as of December 31, 1945, by and between **GENERAL MOTORS CORPORATION,** a corporation of the State of Delaware (Electro-Motive Division), with an office and place of business in the Village of McCook (Post Office address LaGrange), Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and **SEATTLE-FIRST NATIONAL BANK,** a national banking association having its principal office in the City of Seattle, State of Washington, (hereinafter sometimes referred to as the "Assignee"), as party of the second part;

WITNESSETH, That:

WHEREAS, the Seller and Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, entered into a written Conditional Sale Agreement, dated as of June 1, 1945, covering the construction, sale and delivery by the Seller, and the purchase and acceptance by said Trustees, of five (5) new 4000 horsepower Diesel Electric Passenger Locomotives, bearing Buyer's Road Numbers 16A-16B; 17A-17B; 18A-18B; 19A-19B and 20A-20B; and five (5) new 5400 horsepower Diesel Electric Freight Locomotives, bearing Buyer's Road Numbers 35A-35B-35C-35D; 36A-36B-36C-36D; 37A-37B-37C-37D; 38A-38B-38C-38D and 39A-39B-39C-39D; upon and subject to the terms and conditions as provided therein; and

WHEREAS, the Seller and the Assignee entered into a written Agreement and Assignment, dated as of June 5, 1945, whereby the Seller sold, assigned, transferred and

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set over unto said Assignee all of the right, title and interest of the Seller under said Conditional Sale Agreement in and to said Locomotives on the terms and conditions as provided therein; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized company to assume the unpaid principal balance under said Conditional Sale Agreement of June 1, 1945; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded to all the rights and obligations of said Trustees under said Conditional Sale Agreement; and

WHEREAS, the Seller and Chicago, Milwaukee, St. Paul and Pacific Railroad Company entered into a written Supplemental Agreement, dated as of December 29, 1945, whereby said Conditional Sale Agreement, dated as of June 1, 1945, was amended to provide that the five (5) 4000 horsepower Diesel Electric Passenger Locomotives covered thereby, and yet to be delivered, may be shipped from the Seller's works at McCook, Illinois, on or before June 30, 1946; and

WHEREAS, the Seller and the Assignee desire to amend said Agreement and Assignment, dated as of June 5, 1945, to provide for the sale, assignment, transfer and setting over by the Seller unto the Assignee of all of the right, title and interest of the Seller under said Conditional Sale

Agreement, so amended, in and to said five (5) 4000 horsepower Diesel Electric Passenger Locomotives;

NOW, THEREFORE, for value received and in consideration of the premises and the acceptance of the amendments to said Agreement and Assignment by the Assignee on the terms and conditions hereinafter set forth, the parties hereto do hereby agree as follows:

1. The WHEREAS paragraph of said Agreement and assignment dated as of June 5, 1945, is hereby amended to read as follows:

"WHEREAS, the Seller 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 sometimes referred to as the "Buyers"), have entered into a Conditional Sale Agreement, dated as of June 1, 1945, and the Seller and Chicago, Milwaukee, St. Paul and Pacific Railroad Company, successor to said Trustees, Buyers, have entered into a Supplemental Agreement, dated as of December 29, 1945, amending said Conditional Sale Agreement (said Conditional Sale Agreement, as amended, being hereinafter sometimes referred to as the "Agreement"), covering the construction and sale by the Seller, and the purchase by the Buyers, on the conditions set forth in said Agreement, of five (5) new 5400 horsepower Diesel Electric Freight Locomotives, bearing Buyer's Road Numbers 35A-35B-35C-35D; 36A-36B-36C-36D; 37A-37B-37C-37D; 38A-38B-38C-38D and 39A-39B-39C-39D; and five (5) 4000 horsepower Diesel Electric Passenger Locomotives, bearing Buyer's Road Numbers 16A-16B; 17A-17B; 18A-18B; 19A-19B and 20A-20B (hereinafter sometimes referred to as "The Equipment"), all as more particularly described in said Agreement, for an aggregate purchase price of Four Million, Three Hundred Twenty-Four Thousand, One Hundred Ninety-five Dollars ($4,324,195.00), payable with interest as provided therein."

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2. Section 2, Section 3 and Section 6 of said Agreement and Assignment, dated as of June 5, 1945, are hereby amended to provide that the date, "December 31, 1945," appearing in each of said Sections, shall be changed in each instance to read "June 30, 1946".

3. Said Agreement and Assignment, dated as of June 5, 1945, as herein amended, shall remain and continue in full force and effect between the parties hereto, in accordance with the terms, conditions and provisions thereof.

IN WITNESS WHEREOF, the patries hereto have caused this Supplemental Agreement and Assignment to be duly executed by their respective proper officers, and their respective seals to be hereunto affixed and duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant Cashiers, all as of the day, month and year first herein written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By E. K. Warren
Vice President.

Attest:

A. D. Pedlar
Assistant Secretary.

Signed, sealed and delivered by General Motors Corporation (Electro-Motive Division) in the presence of:

T. R. Drew
M. L. Hentleer
Attesting Witnesses.

SEATTLE-FIRST NATIONAL BANK,

By H. J. Thomas
Vice President.

Attest:

W. H. Rosenwald
Assistant Cashier.

Signed, sealed and delivered by Seattle-First National Bank, in the presence of:

K. A. Spencer
W. M. Cashman
Attesting Witnesses.

STATE OF ILLINOIS, } ss.
County of Cook. }

I, James Sorna, 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 11th day of February, 1946, 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 C. R. Osborn and A. D. Pedlar, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division), 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 C. R. Osborn 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 C. R. Osborn resides in Hinsdale, in the State of Illinois, and that said A. D. Pedlar resides in Western Springs, in the State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), the corporation described in and which executed the within and foregoing instrument in writing; that they, said C. R. Osborn, a Vice President,

and A. D. Pedlar, an 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 a Vice-President and an 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 January 12-1950.

James Sorna
Notary Public in and for the State of Illinois, County of Cook.

Form 13A

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 registracy, that James Sorna 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 26 day of Feb. A.D. 1946

Michael J. Flynn
County Clerk.

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STATE OF WASHINGTON, }
COUNTY OF KING. } ss.

I, E C Flumerfelt, 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 21st day of February, 1946, 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. Jerome and G. W. Woodward; to me personally known and known to me to be, respectively, Vice President and Assistant Cashier of Seattle-First National Bank, the 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. E. Jerome and G. W. Woodward, 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. Jerome resides in Seattle, in the State of Washington, and that said G. W. Woodw resides in Seattle, in the State of Washington; that said F. E. Jerome is Vice President and said G. W. Woodward is Assistant Cashier

548 SW GATEWAY

STATE OF WASHINGTON, }
COUNTY OF KING. } ss.

I, NORMAN R. RIDDELL, County Clerk of King County, and ex-officio Clerk of the Superior Court, of the State of Washington, for the County of King, the same being a Court of Record, and [illegible] Clerk and Seal, do hereby certify that E. C. Flumerfelt

the person whose name is subscribed to the annexed acknowledgment, certificate of proof or affidavit, and before whom the same was taken, was at the date thereof, and is now a Notary Public in and for the said State, duly appointed and commissioned; that by virtue of his said office, he is authorized to take and certify such acknowledgments and proofs of deeds or conveyances of land, tenements, hereditaments, mortgages or other instruments in writing required to be recorded or acknowledged in said State, and to administer oaths.

I DO FURTHER CERTIFY that I am acquainted with the handwriting of said Notary Public and the name subscribed to the said annexed acknowledgment, certificate or proof or affidavit, is his proper and genuine signature, and the same is executed according to the laws of the State of Washington, which do not require the impression of the seal of such Notary Public to be filed in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court at Seattle, King County, Washington, this 21st day of February, A. D. 1946.

NORMAN R. RIDDELL, Clerk.

By Louis L. Thuken Deputy

of Seattle-First National Bank, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said F. E. Jerome and G. W. Woodward Vice President and Assistant Cashier, respectively, know the corporate seal of said association; that the seal affixed to said instruments as the seal of said association is such corporate seal; that it was so affixed thereto by authority of said 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 Cashier in behalf of said association 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 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 association and that said 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 King, State of Washington, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires 1 February 1948.

E. C. Flumerfelt
Notary Public in and for the State of Washington, County of King.

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 28th day of February A. D. 1946 at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 329 ET SEQ.
Robert C. Zimmerman
Assistant Secretary of State

Executed in 190 Counterparts
Counterpart No. 120

GREAT NORTHERN RAILWAY COMPANY

TO

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,
Trustee.

Supplemental Indenture (No. 7)

Dated as of January 1, 1946

TO

General Gold Bond Mortgage

Dated January 1, 1921

Providing For the Issuance of General Mortgage Gold Bonds, Series P and Series Q

SUPPLEMENTAL INDENTURE dated as of the 1st day of January, 1946, by and between GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, (hereinafter called the "Railway Company"), party of the first part, and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a corporation duly organized and existing under the laws of the United States of America and having its principal office and place of business in the Borough of Manhattan, in the City, County and State of New York, (hereinafter called the "Trustee"), party of the second part.

The Railway Company has heretofore made its General Gold Bond Mortgage dated January 1, 1921 to the Trustee and supplements thereto dated respectively March 19, 1936, as of January 1, 1937, April 18, 1944, as of July 1, 1944, March 20, 1945, and as of July 1, 1945. General Mortgage Bonds of several series are issued and outstanding. Said Mortgage (hereinafter referred to as the "Mortgage") as so supplemented provides in Article Eleven for the execution by the Railway Company and the Trustee of indentures supplemental to the Mortgage for certain purposes more specifically set forth in said Article.

The Railway Company has by proper corporate action authorized the issuance under and pursuant to the terms of the Mortgage as heretofore supplemented and modified and as supplemented and modified by this Supplemental Indenture of $75,000,000 principal amount of its General Mortgage Bonds in two series, $40,000,000 principal amount of said Bonds to be issued as Series P, and $35,000,000 principal amount to be issued as Series Q (said Bonds of both said series being hereinafter sometimes referred to collectively as the "Series P and Q Bonds", the Bonds of Series P being hereinafter sometimes referred to as "Series P Bonds" and the Bonds of Series Q being hereinafter sometimes referred to as "Series Q Bonds").

The Railway Company desires by this Supplemental Indenture to make provision with respect to the continuance of certain limitations, as more specifically hereinafter set forth, upon the right of the Railway

Company to issue bonds under the Mortgage, and to provide a sinking fund and make other provisions with respect to the Series P and Q Bonds.

The forms of the Series P and Q Bonds in coupon form, of the coupons to be attached thereto, of the Series P and Q Bonds in registered form and of the Trustee's certificate to be endorsed on the Series P and Q Bonds are to be severally and respectively substantially as follows (appropriate insertions to be made in the Bonds of each series in respect of dates of maturity, interest rates and redemption prices, all as hereinafter provided, and otherwise):

(FORM OF COUPON BOND)

No. ..... $1000.

GREAT NORTHERN RAILWAY COMPANY

GENERAL MORTGAGE ....% GOLD BOND, SERIES ....

DUE JANUARY 1, ...

Great Northern Railway Company, a Minnesota corporation (hereinafter called the "Railway Company"), for value received, hereby promises to pay to bearer (or if registered as to principal, to the registered holder hereof) on the first day of January, ... at the office or agency of the Railway Company in the Borough of Manhattan, The City of New York, State of New York, One Thousand Dollars in gold coin of the United States of America of or equal to the standard of weight and fineness as it existed on the first day of July, 1921, and to pay interest thereon from January 1, 1946, at the rate of ....% per annum, payable at its said office or agency in like gold coin semi-annually on the first day of January and the first day of July of each year until payment of such principal sum, but only upon presentation and surrender of the applicable coupons therefor hereto annexed, as they severally mature.

(The provision that the principal of, premium, if any, and interest on the within bond is payable in gold coin of the United States of America of or equal to the standard of weight and fineness as it existed on the first day of July, 1921, was included

therein in compliance with the terms of the original indenture described in the within bond which was executed prior to the approval on June 5, 1933 of Public Resolution No. 10 of the 73rd Congress. Specific attention is called to the fact that said Public Resolution provides in part as follows:

"Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts.")

This bond is one of the General Mortgage Gold Bonds (coupon or registered) of the Railway Company issued and to be issued in one or more series under and pursuant to and equally secured by an indenture dated January 1, 1921, executed by the Railway Company to The First National Bank of the City of New York, Trustee, (hereinafter called the "indenture"), conveying all the property and franchises of the Railway Company mentioned in said indenture, and Supplemental Indentures dated respectively March 19, 1936, as of January 1, 1937, April 18, 1944, as of July 1, 1944, March 20, 1945, as of July 1, 1945, and as of January 1, 1946 providing for the issuance of General Mortgage Gold Bonds, Series P and Series Q, to which reference is hereby made for a statement of the property and franchises mortgaged, conveyed, pledged or assigned, the nature and extent of the security, and the rights of the holders of said bonds and of the said Trustee in respect to such security.

The authorized issue of bonds under said indenture is limited to an amount which, together with all then outstanding prior debt of the Railway Company or of a successor corporation as defined in said indenture, after deducting therefrom the amount of all bonds then reserved under the provisions of said indenture to retire prior debt at or before maturity, shall not exceed three times the par value (which, as provided in said Supplemental Indenture dated March 19, 1936, shall, in respect of shares without par value, be deemed the stated value) of the then outstanding, fully paid capital stock of the Railway Company or of a successor corporation.

The Series .... Bonds are redeemable at the option of the Railway Company as a whole or in part on any interest payment date subsequent to July 1, 1946 upon publication of notice thereof in two newspapers of general circulation in the Borough of Manhattan, The City of New York,

at least twice a week for nine successive weeks next preceding such interest payment date, and in the manner and otherwise as provided in said indenture, at the following prices (expressed in percentages of the principal amount), together with accrued interest to the date designated for redemption: to and including ....., ...%; thereafter to and including ....., ...%; etc.

(For redemption prices see page 13 hereof)

The Series .... Bonds are also redeemable by operation of a sinking fund out of monies available therein, at the following prices (expressed in percentages of the principal amount): to and including ....., ...%; thereafter to and including ....., ...%; etc.

(For redemption prices see page 13 hereof)

(accrued interest to the date fixed for redemption being payable out of other than sinking fund monies), and upon the notice and in the manner hereinabove set forth for optional redemption, all as provided and contained in said Supplemental Indenture dated as of January 1, 1946, establishing and defining said sinking fund. Sinking fund payments shall be made to the Trustee annually on July 1 of each year, commencing with the year 1947, in amounts determined as provided in Article Three of said Supplemental Indenture. Such payments shall be made in cash or in General Mortgage Bonds of any series acquired by the Railway Company after January 1, 1946 (other than bonds of Series E, Series L, Series M, such of the bonds of Series K as may be called for redemption on July 1, 1946, and other than bonds held by the Railway Company or pledged by the Railway Company and which in either case have never been otherwise issued, and other than bonds which have been converted into stock of the Railway Company), in each case of a delivery of bonds, at the principal amount thereof or at the cost thereof to the Railway Company, whichever shall be the lesser (such cost to be exclusive of brokerage and accrued interest), or partly in cash and partly in such bonds, and may be anticipated. Sinking fund money shall be applied by the Trustee to the purchase, as instructed by the Railway

Company, of General Mortgage Bonds of Series P or Series Q at prices not exceeding the then current redemption price applicable for the sinking fund for the respective series, exclusive of brokerage and accrued interest, or to the purchase of General Mortgage Bonds of any other series (provided that, if the purchase price of such bonds, exclusive of brokerage and accrued interest, shall exceed the lower of the then current redemption prices applicable for the sinking fund for the bonds of Series P or Series Q, sinking fund monies shall be used to pay only that part of the purchase price equal to such then current lower redemption price and the balance of such purchase price will be otherwise provided by the Railway Company and paid to the Trustee), or to the redemption of any of the bonds of Series P or Series Q, or upon the request of the Railway Company, to the payment of the principal of any General Mortgage Bond at its stated maturity, all as more fully provided in said Supplemental Indenture. All bonds acquired by or delivered to the Trustee pursuant to the provisions of the sinking fund will be cancelled and no bonds will be issued in place thereof.

In case of certain defaults specified in said indenture, the principal of this bond and all of the bonds issued under said indenture may be declared and may become due and payable in the manner and with the effect provided in said indenture.

This bond shall pass by delivery, unless registered as to principal in the owner's name either at the office of the Railway Company in the City of St. Paul, State of Minnesota, or at its office or agency in the Borough of Manhattan, The City of New York, such registry being noted on the bond by the Railway Company. After such registry no transfer shall be valid unless made by the registered owner in person or by attorney and similarly noted on the bond, but the same may be discharged from registry by like transfer to bearer noted on the bond, whereupon ability to transfer by delivery shall be restored; but this bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons for interest on the bond, which shall continue to be payable to bearer and transferable by delivery, and payment thereof to the bearer shall fully discharge the Railway Company in respect to the interest therein mentioned whether or not the bond be registered as to principal.

The Series .... Bonds in coupon form are issuable in the denomination of $1,000 as provided in said Supplemental Indenture dated as of January 1, 1946. The holder of any coupon bond for $1,000 at his option

may surrender the same for cancellation, with all unmatured coupons thereunto appertaining, in exchange for a registered bond without coupons of the same series, and registered bonds of the denomination of $1,000, or any authorized multiple thereof, may be exchanged for coupon bonds of the same series as provided in said indenture. For such transfer or exchange a charge may be made as provided in said indenture.

No recourse shall be had for the payment of the principal of or the interest upon this bond, or for any claim based hereon, or otherwise in respect hereof or of said indenture and supplements, 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 being by the acceptance hereof, and as part of the consideration of the issue hereof, expressly released as provided in said indenture.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by The First National Bank of the City of New York as Trustee or its successor in trust under said indenture.

IN WITNESS WHEREOF Great Northern Railway Company has caused this bond to be signed by its President, or a Vice President, and its corporate seal to be hereunto affixed and to be attested by its Secretary, or an Assistant Secretary, and coupons for said interest bearing the engraved facsimile signature of its Treasurer, or an Assistant Treasurer, to be attached hereto, as of the first day of January, 1946.

GREAT NORTHERN RAILWAY COMPANY,

By.....
Vice President.

Attest:

.....
Assistant Secretary.

(FORM OF COUPON)

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

On the first day of ....., Great Northern Railway Company will pay to bearer at its office or agency in the Borough of Manhattan, The City of New York, on surrender of this coupon, $..... in gold coin of the United States (see legend on face of bond with respect to obligations payable in gold), being six months' interest then due on its General Mortgage ....% Gold Bond, Series ....., No. ....., unless said bond shall have been called for previous redemption.

.....
Treasurer

(FORM OF REGISTERED BOND)

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

GREAT NORTHERN RAILWAY COMPANY

GENERAL MORTGAGE ....% GOLD BOND, SERIES ....

DUE JANUARY 1, ...

Great Northern Railway Company, a Minnesota corporation (hereinafter called the "Railway Company"), for value received, hereby promises to pay to ..... or registered assigns, on the first day of January, ..., at the office or agency of the Railway Company in the Borough of Manhattan, The City of New York, State of New York, ... Dollars in gold coin of the United States of America of or equal to the standard of weight and fineness as it existed on the first day of July, 1921, and to pay interest thereon from July 1 or January 1, as the case may be, next preceding the date hereof (unless this bond be dated July 1 or January 1, and in that event from the date of this bond), at the rate of ....% per annum, until said principal sum shall be paid, at said office or agency, in like gold coin, semi-annually on the first day of January and the first day of July in each year.

(The provision that the principal of, premium, if any, and interest on the within bond is payable in gold coin of the United States of America of or equal to the standard of weight and fineness as it existed on the first day of July, 1921, was included therein in compliance with the terms of the original indenture described in the within bond which was executed prior to the approval on June 5, 1933 of Public Resolution No. 10 of the 73rd Congress. Specific attention is called to the fact that said Public Resolution provides in part as follows:

"Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts.")

This bond is one of the General Mortgage Gold Bonds (coupon or registered) of the Railway Company issued and to be issued in one or more series under and pursuant to and equally secured by an indenture dated January 1, 1921, executed by the Railway Company to The First National Bank of the City of New York, Trustee, (hereinafter called the "indenture"), conveying all the property and franchises of the Railway Company mentioned in said indenture, and Supplemental Indentures dated respectively March 19, 1936, as of January 1, 1937, April 18, 1944, as of July 1, 1944, March 20, 1945, as of July 1, 1945, and as of January 1, 1946 providing for the issuance of General Mortgage Gold Bonds, Series P and Series Q, to which reference is hereby made for a statement of the property and franchises mortgaged, conveyed, pledged or assigned, the nature and extent of the security, and the rights of the holders of said bonds and of the said Trustee in respect to such security.

The authorized issue of bonds under said indenture is limited to an amount which, together with all then outstanding prior debt of the Railway Company or of a successor corporation as defined in said indenture, after deducting therefrom the amount of all bonds then reserved under the provisions of said indenture to retire prior debt at or before maturity, shall not exceed three times the par value (which, as provided in said Supplemental Indenture dated March 19, 1936, shall, in respect of shares without par value, be deemed the stated value) of the then outstanding, fully paid capital stock of the Railway Company or of a successor corporation.

The Series ..... Bonds are redeemable at the option of the Railway Company as a whole or in part on any interest payment date subsequent to July 1, 1946 upon publication of notice thereof in two newspapers of general circulation in the Borough of Manhattan, The City of New York, at least twice a week for nine successive weeks next preceding such interest payment date, and in the manner and otherwise as provided in said indenture, at the following prices (expressed in percentages of the principal amount), together with accrued interest to the date designated for redemption: to and including ....., ...%; thereafter to and including ....., ...%; etc.

(For redemption prices see page 13 hereof)

The Series ..... Bonds are also redeemable by operation of a sinking fund out of monies available therein, at the following prices (expressed in percentages of the principal amount): to and including ....., ...%; thereafter to and including ....., ...%; etc.

(For redemption prices see page 13 hereof)

(accrued interest to the date fixed for redemption being payable out of other than sinking fund monies), and upon the notice and in the manner hereinabove set forth for optional redemption, all as provided and contained in said Supplemental Indenture dated as of January 1, 1946, establishing and defining said sinking fund. Sinking fund payments shall be made to the Trustee annually on July 1 of each year, commencing with the year 1947, in amounts determined as provided in Article Three of said Supplemental Indenture. Such payments shall be made in cash or in General Mortgage Bonds of any series acquired by the Railway Company after January 1, 1946 (other than bonds of Series E, Series L, Series M, such of the bonds of Series K as may be called for redemption on July 1, 1946, and other than bonds held by the Railway Company or pledged by the Railway Company and which in either case have never been otherwise issued, and other than

bonds which have been converted into stock of the Railway Company), in each case of a delivery of bonds, at the principal amount thereof or at the cost thereof to the Railway Company, whichever shall be the lesser (such cost to be exclusive of brokerage and accrued interest), or partly in cash and partly in such bonds, and may be anticipated. Sinking fund money shall be applied by the Trustee to the purchase, as instructed by the Railway Company, of General Mortgage Bonds of Series P or Series Q at prices not exceeding the then current redemption price applicable for the sinking fund for the respective series, exclusive of brokerage and accrued interest, or to the purchase of General Mortgage Bonds of any other series (provided that, if the purchase price of such bonds, exclusive of brokerage and accrued interest, shall exceed the lower of the then current redemption prices applicable for the sinking fund for the bonds of Series P or Series Q, sinking fund monies shall be used to pay only that part of the purchase price equal to such then current lower redemption price and the balance of such purchase price will be otherwise provided by the Railway Company and paid to the Trustee), or to the redemption of any of the bonds of Series P or Series Q, or upon the request of the Railway Company, to the payment of the principal of any General Mortgage Bond at its stated maturity, all as more fully provided in said Supplemental Indenture. All bonds acquired by or delivered to the Trustee pursuant to the provisions of the sinking fund will be cancelled and no bonds will be issued in place thereof.

In case of certain defaults specified in said indenture, the principal of this bond and all of the bonds issued under said indenture may be declared and may become due and payable in the manner and with the effect provided in said indenture.

This bond is transferable by the registered holder hereof in person or by attorney duly authorized in writing, either at the office of the Railway Company in the City of St. Paul, State of Minnesota, or at its office or agency in the Borough of Manhattan, The City 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 said indenture. This bond also, in the manner prescribed in said indenture, is exchangeable for coupon bonds of the same series for the same aggregate principal amount and bearing all unmatured coupons. For such transfer or exchange a charge may be made, as provided in said indenture.

No recourse shall be had for the payment of the principal of or the interest upon this bond, or for any claim based hereon, or otherwise

in respect hereof or of said indenture and supplements, 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 being by the acceptance hereof, and as part of the consideration of the issue hereof, expressly released as provided in said indenture.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by The First National Bank of the City of New York as Trustee or its successor in trust under said indenture.

In Witness Whereof Great Northern Railway Company has caused this bond to be signed by its President, or a Vice President, and its corporate seal to be hereunto affixed and to be attested by its Secretary, or an Assistant Secretary, this day of ,

Great Northern Railway Company,

By .....
Vice President.

Attest:

.....
Assistant Secretary.

(form of trustee's certificate)

This Bond is one of the bonds described in the within mentioned indenture, and Supplemental Indenture dated as of January 1, 1946.

The First National Bank of the City of New York, Trustee,

By .....
Authorized Officer.

Now therefore, in consideration of the premises and the sum of Ten Dollars ($10) paid by the Trustee to the Railway Company, receipt whereof is hereby acknowledged, the parties hereto do hereby agree for the common and equal use, benefit and security of all and singular the person or persons, firm or firms, body or bodies politic and corporate who shall from time to time be bearers or registered holders of the Series P and Q Bonds or bearers of any of the coupons thereto appertaining as their respective interests may appear, as follows:

ARTICLE ONE

Issuance of Series P and Q Bonds

The Series P and Q Bonds, substantially in the forms hereinbefore described, shall be issued and authenticated under and in accordance with the provisions of the Mortgage in principal amounts at any one time outstanding, except as otherwise provided in Section 6 of Article Two of the Mortgage, of not to exceed the following respectively: $40,000,000 principal amount to be designated Series P Bonds, and $35,000,000 principal amount to be designated Series Q Bonds. The Series P Bonds will mature January 1, 1982, and will bear interest at the rate of 2¾% per annum payable January 1 and July 1 in each year until the principal sum is paid and if in coupon form will be dated January 1, 1946. The Series Q Bonds will mature January 1, 2010, and will bear interest at the rate of 2⅝% per annum payable January 1 and July 1 in each year until the principal sum is paid and if in coupon form will be dated January 1, 1946. The Series P and Q Bonds will be issuable in coupon form in the denomination of $1000, and will be registerable as to principal, and will be issuable in fully registered form in denominations of $1,000, $5,000, $10,000, $50,000, $100,000 and any multiples of $100,000, and in fully registered form will, as provided in the Mortgage, respectively be dated the day of issue and will bear interest from the date thereof if the same be an interest date and if the date thereof be not an interest date, said Bonds in fully registered form will bear interest from the last preceding interest date.

ARTICLE TWO

Redemption of Series P and Q Bonds

The Series P and Q Bonds, in the case of each series, will be redeemable at the option of the Railway Company in whole or from time to time in any part thereof on any interest payment date subsequent to July 1, 1946 and prior to the maturity thereof in the manner and otherwise as provided in Article Four of the Mortgage as follows:

if redeemed otherwise than through the operation of the sinking fund provided for in Article Three hereof, at the following percentages of principal amount:

For Series P Bonds From	To	%	For Series Q Bonds From	To	%
Jan. 1, 1947–	Jan. 1, 1951	106¼	Jan. 1, 1947–	Jan. 1, 1953	101¼
Jan. 2, 1951–	Jan. 1, 1955	105½	Jan. 2, 1953–	Jan. 1, 1959	101⅛
Jan. 2, 1955–	Jan. 1, 1958	104⅞	Jan. 2, 1959–	Jan. 1, 1965	101
Jan. 2, 1958–	Jan. 1, 1961	104¼	Jan. 2, 1965–	Jan. 1, 1971	100⅞
Jan. 2, 1961–	Jan. 1, 1964	103⅝	Jan. 2, 1971–	Jan. 1, 1977	100¾
Jan. 2, 1964–	Jan. 1, 1967	103⅛	Jan. 2, 1977–	Jan. 1, 1983	100⅝
Jan. 2, 1967–	Jan. 1, 1970	102½	Jan. 2, 1983–	Jan. 1, 1989	100½
Jan. 2, 1970–	Jan. 1, 1973	101⅞	Jan. 2, 1989–	Jan. 1, 1995	100⅜
Jan. 2, 1973–	Jan. 1, 1976	101¼	Jan. 2, 1995–	Jan. 1, 2001	100¼
Jan. 2, 1976–	Jan. 1, 1979	100⅝	Jan. 2, 2001–	Jan. 1, 2007	100⅛
Jan. 2, 1979–	Jan. 1, 1982	100	Jan. 2, 2007–	Jan. 1, 2010	100

or, if redeemed at any time through the operation of the sinking fund provided for in Article Three hereof, at the following percentages of principal amount:

For Series P Bonds From	To	%	For Series Q Bonds From	To	%
Jan. 1, 1947–	Jan. 1, 1951	103¼	Jan. 1, 1947–	Jan. 1, 1953	
Jan. 2, 1951–	Jan. 1, 1955	102⅜	Jan. 2, 1953–	Jan. 1, 1959	
Jan. 2, 1955–	Jan. 1, 1958	102½	Jan. 2, 1959–	Jan. 1, 1965	
Jan. 2, 1958–	Jan. 1, 1961	102¼	Jan. 2, 1965–	Jan. 1, 1971	
Jan. 2, 1961–	Jan. 1, 1964	101⅞	Jan. 2, 1971–	Jan. 1, 1977	
Jan. 2, 1964–	Jan. 1, 1967	101⅝	Jan. 2, 1977–	Jan. 1, 1983	100
Jan. 2, 1967–	Jan. 1, 1970	101¼	Jan. 2, 1983–	Jan. 1, 1989	
Jan. 2, 1970–	Jan. 1, 1973	101	Jan. 2, 1989–	Jan. 1, 1995	
Jan. 2, 1973–	Jan. 1, 1976	100⅝	Jan. 2, 1995–	Jan. 1, 2001	
Jan. 2, 1976–	Jan. 1, 1979	100⅜	Jan. 2, 2001–	Jan. 1, 2007	
Jan. 2, 1979–	Jan. 1, 1982	100	Jan. 2, 2007–	Jan. 1, 2010	

together in each case with interest accrued and unpaid to the designated date of redemption.

ARTICLE THREE

Sinking Fund to be Established in Connection with Series P and Q Bonds

Section 1. The Railway Company covenants and agrees with the Trustee that it will pay to the Trustee as a sinking fund annually on July 1 of each year, commencing with the year 1947, in addition to sinking fund payments provided for bonds of any other series:

(a) until all of the Series P Bonds (exclusive of any such Bonds held or pledged by the Railway Company) shall have been paid or retired in full, or adequate provision satisfactory to said Trustee made for their payment, a sum equal to either

(i) $400,000, or

(ii) the amount, if any, by which net income of the Railway Company (as defined by the Accounting Classifications or other rules, orders and regulations of the Interstate Commerce Commission or other Federal authority having similar jurisdiction in the premises, at the time in force) for the year ending on the preceding December 31 shall exceed any amount required to be paid on such July 1st into the sinking fund established by Article Three of the Supplemental Indenture dated as of July 1, 1945,

whichever shall be the lesser; provided, however, that in no event shall the payment to be made by the Railway Company to the Trustee on any July 1 pursuant to the provisions of this paragraph (a) exceed the principal amount of the Series P Bonds then outstanding, not including Series P Bonds pledged by or held by the Railway Company; and

(b) until all of the Series Q Bonds (exclusive of any such Bonds held or pledged by the Railway Company) shall have been paid or retired in full, or adequate provision satisfactory to said Trustee made for their payment, a sum equal to either

(i) $350,000, or

(ii) the amount, if any, by which net income of the Railway Company (as defined by the Accounting Classifications or other rules, orders and regulations of the Interstate Commerce Commission or other Federal authority having similar jurisdiction in the premises, at the time in force) for the year ending on the

preceding December 31 shall exceed the total of any amount required to be paid on such July 1st into the sinking fund established by Article Three of the Supplemental Indenture dated as of July 1, 1945 and any amount required to be paid on such July 1st into the sinking fund hereby established pursuant to the provisions of the foregoing paragraph (a) of this Section 1,

whichever shall be the lesser; provided, however, that in no event shall the payment to be made by the Railway Company to the Trustee on any July 1 pursuant to the provisions of this paragraph (b) exceed the principal amount of the Series Q Bonds then outstanding, not including Series Q Bonds pledged by or held by the Railway Company.

Section 2. Any payment required to be made by the Railway Company for purposes of the sinking fund for the Series P and Series Q Bonds herewith established may at the option of the Railway Company be made in cash or by delivery to the Trustee, cancelled or uncancelled, of General Mortgage Bonds of any series acquired by the Railway Company after January 1, 1946 (other than bonds of Series E, Series L, Series M, such of the bonds of Series K as may be called for redemption on July 1, 1946, and other than bonds held by the Railway Company or bonds pledged by the Railway Company and which in either case have never been otherwise issued, and other than bonds which have been converted into stock of the Railway Company), in each case of a delivery of bonds at the principal amount thereof or at the cost thereof to the Railway Company, whichever shall be the lesser. Such cost shall be exclusive of brokerage and accrued interest and shall be shown by a certificate signed by the President, the Assistant to the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Railway Company, which certificate shall also state that such bonds are not bonds held by the Railway Company or pledged by the Railway Company and which in either case have never been otherwise issued. The Trustee shall be protected in relying on such certificate and shall be under no duty to make any verification of or investigation or inquiry as to any part thereof. Any such payment may be made partly in cash and partly in bonds as aforesaid. Any payment of cash into the sinking fund, and any such deposit of bonds

thereinto in lieu of the payment of cash, may be made prior to the date upon which the Railway Company shall become obligated to make such payment, in which case such payment or deposit shall be credited against succeeding obligations of the Railway Company in respect of payments into the sinking fund.

Section 3. On each sinking fund payment date upon which the Railway Company is obligated hereunder to make a payment in respect of net income, the Railway Company shall deliver to the Trustee a statement in reasonable detail showing the Railway Company's net income (as defined by the Accounting Classifications of the Interstate Commerce Commission, or other Federal authority having similar jurisdiction in the premises, at the time in force) for the year ending on the next preceding December 31, certified by the Comptroller or the Treasurer. A similar statement furnished to the Trustee pursuant to the provisions establishing a sinking fund for any other series of General Mortgage Bonds shall be sufficient to satisfy this requirement. The Trustee shall be protected in relying on such certified statement and shall be under no duty to make any verification of or investigation or inquiry as to any part thereof.

Section 4. From and after each July 1, commencing July 1, 1947, and until the next succeeding April 1 the Trustee shall apply the monies in the sinking fund herewith established to the purchase from time to time of Bonds of Series P or Q at prices not exceeding the then current redemption price applicable for the sinking fund for Bonds of such series, exclusive of brokerage and accrued interest, or to the purchase of General Mortgage Bonds of any other series, provided that, if the purchase price of such bonds, exclusive of brokerage and accrued interest, shall exceed the lower of the then current redemption prices applicable for the sinking fund for the Bonds of Series P or Q, sinking fund monies shall be used to pay only that part of the purchase price equal to such then current lower redemption price and the balance of such purchase price will be otherwise provided by the Railway Company and paid to the Trustee.

The Railway Company may instruct the Trustee from time to time as to which series of General Mortgage Bonds should be so pur-

chased by the Trustee. The Trustee may advertise publicly for tender of bonds for sale to the sinking fund or may purchase the same within the price limitation hereinbefore set forth either at public or private sale as to the Trustee may seem most advisable. The Railway Company covenants to pay to the Trustee upon request accrued interest and brokerage commissions payable with respect to any purchased bonds, it being the intention that accrued interest and brokerage commissions shall not be charged against sinking fund monies.

Any monies at any time in the sinking fund shall, upon the request of the Railway Company, in lieu of the foregoing and subject to the provisions of Section 5 of this Article Three, be applied to the payment of the principal of any General Mortgage Bond of any series at its stated maturity.

Section 5. If on the April 1 next succeeding a July 1, there shall remain in the hands of the Trustee any monies in the sinking fund equal to or in excess of $50,000, then such remaining monies (or at the option of the Railway Company any such remaining monies thereof less than $50,000) shall be applied to the redemption of Series P or Q Bonds, as the Railway Company may determine (or if the Railway Company shall not so determine, then to the redemption of Bonds of such of the above Series as have the then lower current redemption price), on the next succeeding July 1 at the then current redemption price applicable to the sinking fund for the Bonds so redeemed as hereinabove set forth in Article Two hereof and otherwise in the manner and as provided in Article Four of the Mortgage, but on no such July 1 shall there be so applied an amount greater than the sinking fund payment required to be made on the preceding July 1 plus $50,000. Any sum less than $50,000 not so applied to the redemption of Series P or Q Bonds shall be retained by the Trustee and shall be added to the next succeeding sinking fund installment but shall not operate to reduce the Railway Company's obligation for such sinking fund installment. All bonds acquired by the Trustee or delivered to it by the Railway Company pursuant to the provisions of this Article Three, together with all unmatured coupons attached thereto, shall forthwith

be cancelled and held by the Trustee for cremation and no bonds shall be issued in place thereof under the Mortgage.

The Trustee shall not in any event be liable for the payment of the principal of, or interest on, any Series P or Q Bonds called for redemption as herein provided except to the extent that it shall have funds in its hands either in the sinking fund or paid to it by the Railway Company for that purpose.

SECTION 6. The Railway Company covenants to pay the compensation and expenses of the Trustee in administering said sinking fund as provided herein, including the cost of advertisement of redemption notices and any other advertisements.

SECTION 7. No sinking fund monies shall be applied by the Trustee to the purchase or redemption of bonds during the continuance of an event of default under the Mortgage of which the Trustee shall have notice; but any monies in such sinking fund at the time when such notice shall have been received by the Trustee shall be held as additional security for the payment of Series P and Q Bonds.

ARTICLE FOUR

CONTINUATION OF LIMITATION UPON THE ISSUANCE OF BONDS

The Railway Company covenants that the covenants contained in Article Four of the Supplemental Indenture dated as of July 1, 1944 to the Mortgage as modified by Article Four of the Supplemental Indenture dated as of July 1, 1945 to the Mortgage shall be continued in full force and effect but without otherwise extending their scope, until all of the Series P and Q Bonds shall have been paid or retired in full, or adequate provision satisfactory to the Trustee shall have been made for their payment and to this end the provision contained in Article Four of said Supplemental Indenture dated as of July 1, 1944, modified as aforesaid, to the effect that at such time as all of the Railway Company's General Mortgage Gold Bonds, Series K, L, M, N and O, shall have been paid or retired in full or adequate provision satisfactory to the Trustee shall have been made for their payment, said covenants shall become null and void and of no further effect, shall be deemed to be by this Supplemental Indenture appropriately modified.

ARTICLE FIVE

CONCERNING THE TRUSTEE

The Trustee hereby accepts the trust herein declared and provided and agrees to perform the same upon the terms and conditions in the Mortgage set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Railway Company or for or in respect of the recitals contained herein, all of which recitals are made by the Railway Company solely. The Trustee shall be under no obligation to see to the filing, registration or recording of this Supplemental Indenture or to the refiling, reregistration or rerecording thereof but the Railway Company covenants to effect, when and as may be required by law in order to protect the rights hereunder of the holders of the Series P and Q Bonds, the filing, registration or recording and the refiling, reregistration or rerecording hereof. The Trustee may authenticate and deliver any of the Series P and Q Bonds herein provided for without waiting for any such filing, registration, recording or refiling, reregistration or rerecording. In general, each and every term and condition contained in Article Twelve of the Mortgage shall apply to and form a part of this Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions as may be appropriate to make the same conform to this Supplemental Indenture.

ARTICLE SIX

EXECUTION IN COUNTERPARTS

This Supplemental Indenture may be executed simultaneously in several 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.

ARTICLE SEVEN

This is a Supplemental Indenture to the Mortgage, executed pursuant to the provisions thereof, and each and every part of this Supplemental Indenture and each and every covenant contained herein shall

be and become a part of the Mortgage as heretofore supplemented and each of the covenants and obligations of the Railway Company herein contained shall be, except as herein otherwise provided, subject to the provisions of said Mortgage as so supplemented.

IN WITNESS WHEREOF, GREAT NORTHERN RAILWAY COMPANY, the party hereto of the first part, has caused this Supplemental Indenture to be signed and acknowledged or proved by its President, the Assistant to the President or a Vice President and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary, and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, party of the second part, has caused these presents to be signed and acknowledged or proved by its President or a Vice President and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Cashier or an Assistant Cashier, all the day and year first hereinabove written.

GREAT NORTHERN RAILWAY COMPANY,

By V P Trumbuke
Assistant to the President.

Attest: M Stallcamp
Assistant Secretary.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,

By R J Miller
Vice President.

Attest: J Kincaide
Assistant Cashier.

Signed, sealed and delivered by Great Northern Railway Company in presence of:

Emma J Green
Seth W. Dabney 3rd

Signed, sealed and delivered by The First National Bank of the City of New York in presence of:

T. V. Marsters
H. E. Brown

STATE OF NEW YORK, } ss.:
COUNTY OF NEW YORK. }

BE IT REMEMBERED that on this the 3rd day of April, 1946, before me, the undersigned officer and authority, MAUDE M. O'CONNOR, a Notary Public in and for said County of New York, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds or conveyances of lands, tenements and hereditaments in said state, and in the presence of the undersigned witnesses, both males of lawful age, personally came and appeared V. P. TURNBURKE, Assistant to the President, and N. STOCKHAMMER, Assistant Secretary, of Great Northern Railway Company, the corporation of that name described in and which executed the within and foregoing instrument, both being to me personally known, and known to be such Assistant to the President and Assistant Secretary, respectively, of said corporation, and to be the same persons who now have signed, executed and acknowledged the foregoing instrument, as such Assistant to the President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and the said V. P. TURNBURKE and N. STOCKHAMMER, being by me duly severally sworn, on oath stated, and did severally depose and say and acknowledge in the presence of said witnesses, that said V. P. TURNBURKE resides in the City of St. Paul, in the State of Minnesota, and that said N. STOCKHAMMER resides in the City of Jersey City, in the State of New Jersey; that said V. P. TURNBURKE is Assistant to the President, and said N. STOCKHAMMER is the Assistant Secretary, of Great Northern Railway Company, one of the corporations described in and which executed the above instrument; that they, the said V. P. TURNBURKE, Assistant to the President, and said N. STOCKHAMMER, Assistant Secretary, know the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that it was so affixed thereto by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to, and were authorized to execute, the foregoing instrument, in their respective capacities as Assistant to the President and Assistant Secretary, in behalf of said corporation, by like order and authority; that they, being so authorized to do, executed the foregoing instrument by signing the name of said corporation by themselves as Assistant to the President and Assistant Secretary, respectively; that they signed and executed the same 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 mentioned, contained, stated and set forth; and they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation; that said corporation executed the said instrument, and that said instrument was by said corporation voluntarily executed.

Thus done and signed, at the County of New York, in the State of New York, in the presence of the undersigned Notary Public, and of said two witnesses, both residing in said City of New York, who hereunto sign their names with said appearers, and said Notary Public, on the day and date aforesaid.

GIVEN under my hand and official seal, and in witness whereof I have hereunto set my hand and affixed my official seal, this 3rd day of April, 1946. My commission and term of office as Notary Public expire on March 30, 1948.

Maude M O'Connor
MAUDE M. O'CONNOR
Notary Public, Kings County
Kings Co. Clk's No. 50, Reg. No. 28-O-8
Certificates Filed in
N. Y. Co. Clk's No. 140, Reg. No. 27-O-8
Bronx Co. Clk's No. 6, Reg. No. 12-O-8
Commission Expires March 30, 1948

Appearers:
V P Trumbuke
M Stallcamp

Witnesses:
Emma J Green
Seth W. Dabney 3rd

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STATE OF NEW YORK, COUNTY OF NEW YORK. } ss.:

BE IT REMEMBERED that on this the 4th day of April, 1946, before me, the undersigned officer and authority, THOMAS A. COLLINS, a Notary Public in and for said County of New York, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds or conveyances of lands, tenements and hereditaments in said state, and in the presence of the undersigned witnesses, both males of lawful age, personally came and appeared R. G. FULLER, Vice President, and J. K. MICKLE, Assistant Cashier, of The First National Bank of the City of New York, the corporation of that names described in and which executed the within and foregoing instrument, both being to me personally known, and known to be such Vice President and Assistant Cashier, respectively, of said corporation, and to be the same persons who now have signed, executed and acknowledged the foregoing instrument, as such Vice President and Assistant Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and the said R. G. FULLER and J. K. MICKLE, being by me duly severally sworn, on oath stated, and did severally depose and say and acknowledge in the presence of said witnesses, that said R. G. FULLER resides at 6 Olmsted Road, in the Village of Scarsdale, in the County of Westchester, State of New York, and that said J. K. MICKLE resides at 400 Park Avenue, in the Borough of Manhattan, in the County of New York, State of New York; that said R. G. FULLER is the Vice President, and said J. K. MICKLE is the Assistant Cashier, of The First National Bank of the City of New York, one of the corporations described in and which executed the above instrument; that they, the said R. G. FULLER, Vice President, and said J. K. MICKLE, Assistant Cashier, know the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that it was so affixed thereto by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to, and were authorized to execute, the foregoing instrument, in their respective capacities as Vice President and Assistant Cashier, in behalf of said corporation, by like order and authority; that they, being so authorized to do, executed the foregoing instrument by signing the name of said corporation by themselves as Vice President and Assistant Cashier, respectively; that they signed and executed the same 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 mentioned, contained, stated and set forth; and they severally duly acknowledged said instrument to be the free and voluntary act and deed of said corporation; that said corporation executed the said instrument, and that said instrument was by said corporation voluntarily executed.

Thus done and signed, at the County of New York, in the State of New York, in the presence of the undersigned Notary Public, and of said two witnesses, both residing in said City of New York, who hereunto sign their names with said appearers, and said Notary Public, on the day and date aforesaid.

GIVEN under my hand and official seal, and in witness whereof I have hereunto set my hand and affixed my official seal, this 4th day of April, 1946. My commission and term of office as Notary Public expire on March 30, 1948.

Thomas A Collins
THOMAS A. COLLINS
Notary Public
Queens Co. Clk's No. 451
N. Y. County Clerk's No. 292, Reg. No. 83-C-8
Commission Expires March 30, 1948

Appearers:
R G Fuller
J K Mickle

Witnesses:
D. V. Marsters
G E Brown

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.:

V. P. TURNBURKE, being first duly sworn on oath, says that he is Assistant to the President of Great Northern Railway Company and, being duly authorized thereunto, makes this affidavit for and on its behalf; that the foregoing Supplemental Indenture, dated as of January 1, 1946, between said Great Northern Railway Company, as party of the first part, and The First National Bank of the City of New York, as party of the second part, is made in good faith and without any design to hinder, delay or defraud creditors; and that a copy of the foregoing mortgage or indenture has been surrendered to said Great Northern Railway Company, mortgagor, by said The First National Bank of the City of New York, mortgagee, and has been received by said mortgagor.

Subscribed and sworn to before me this 3rd day of April, 1946.
Maude M. O'Connor
MAUDE M. O'CONNOR
Notary Public, Kings County
Kings Co. Clk's No. 50, Reg. No. 28-O-8
Certificates Filed in
N. Y. Co. Clk's No. 140, Reg. No. 27-O-8
Bronx Co. Clk's No. 6, Reg. No. 12-O-8
Commission Expires March 30, 1948

V P Turnburke

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 12th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol 38 of Railroad Mortgages on pages 338 ff. & seq.
Fred R. Zimmerman
Secretary of State

Executed in
18 Counterparts
Counterpart No 4

SERIES P.

FIRST SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of January 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 January 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 January 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 January 1, 1937, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series P, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

Certificates), not exceeding in aggregate principal amount $3,180,000; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "In the event of such termination, surrender or transfer, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or such other corporation or such receiver or receivers, as the case may be, acquiring said lines of railroad shall execute and cause to be recorded an instrument or instruments supplemental to this Agrement 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, 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, 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,

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized company to assume the unpaid principal balance under Equipment Trust, Series P; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS FIRST SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this First Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and all the terms and provisions thereof, shall remain in full force and effect.

4. This First 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 17th day of April, 1946.

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:

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By _____
Vice President.

Attest: _____
Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By _____
Vice President and Comptroller.

Attest: _____
Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

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 17th day of April, 1946, 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,

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 17th day of April, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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,

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said F. E. Musgrove, Vice President, and R. W. Swezey, 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 28, 1948

H. J. Groener,
Notary Public in and for the State of Illinois, County of Cook.

Form 11A

STATE OF ILLINOIS, } ss.
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 authority, that H. J. Groener whose name is affixed 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 and sworn and was authorized to take the acknowledgments and proofs of deeds or conveyances of lands, tenements and hereditaments in the State of Illinois, and to administer oaths; all of which appears from the records and files in my office. And 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 April A.D. 1946

County Clerk.

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Martha E. Hall, 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 April, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
SEP 1 1947

Ruth E Hall,
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 350-355, incl.
Fred Zimmerman
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES Q.

FIFTH SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of March 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 March 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 March 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 March 1, 1937, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series Q, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $2,655,000; and

WHEREAS, by a Supplement to said Lease and said Agreement, and Three Supplemental Leases, certain substituted and additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "In the event of such termination, surrender or transfer, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, or such other corporation or such receiver or receivers, as the case may be, acquiring said lines of railroad shall execute and cause to be recorded an instrument or instruments supplemental to this Agrement 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, 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, 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,

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series Q; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS FIFTH SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Fifth Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and all Supplements thereto, and all the terms and provisions thereof, shall remain in full force and effect.

4. This Fifth 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 5th day of April, 1946.

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. Dwenzik

A. Braener

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By P. Musgrave

Vice President.

Attest:

Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

E. Dwenzik

A. Braener

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By V. P. Nelson

Vice President and Comptroller.

Attest:

M. Burstrom

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

[illegible]

[illegible]

Attesting Witnesses.

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

I, W. G. EVERIST, 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 5th day of April, 1946, 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,

[redacted]

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

I, W. G. EVERIST, 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 5th day of April, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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,

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said F. E. Musgrove, Vice President, and R. W. Swezey, 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 9, 1948

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

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STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 5th day of April, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
Sept 1 1947

Ruth E Hall,
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 19 46 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 356-361, incl.
Fred R. Zimmerman
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES R.

FOURTH 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

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Certificates), not exceeding in aggregate principal amount $1,920,000; and

WHEREAS, by a Supplement and a Second Supplement to said Lease and said Agreement, and a Third Supplemental Lease, certain substituted and additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series R; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS FOURTH SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Fourth Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and all Supplements thereto, and all the terms and provisions thereof, shall remain in full force and effect.

4. This Fourth 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 23rd day of March, 1946.

L. S.

L. S.

Signed, sealed and delivered by V. P. Nelson and Paul B. Robb, in the presence of:

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By

Vice President.

Attest:

Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By

Vice President and Comptroller.

Attest:

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

Attesting Witnesses.

[redacted]

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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 4th day of April, 1946, 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 28, 1948

H. J. Groener

Notary Public in and for the State of Illinois, County of Cook.

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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 4th day of April, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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,

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said F. E. Musgrove, Vice President, and R. W. Swezey, 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 28, 1948

H. J. Groener

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

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STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 22nd day of March, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
April 1, 1942

Ruth E. Hall,
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 362-367, incl.
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES S.

SECOND 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

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Certificates), not exceeding in aggregate principal amount $2,235,000; and

WHEREAS, by a First Supplement to said Lease and said Agreement, certain additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series S; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS SECOND SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Second Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First Supplement thereto, and all the terms and provisions thereof, shall remain in full force and effect.

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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 28th day of February, 1946.

L. S.

L. S.

Signed, sealed and delivered by V. P. Nelson and Paul B. Robb, in the presence of:

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By

Vice President.

Attest:

Assistant *Secretary.*

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By

Vice President and Comptroller.

Attest:

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

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 5th day of March, 1946, 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 28, 1948
....., ...

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

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 5th day of March, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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 R. W. Swezey, 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 28, 1948
.....

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, [illegible], 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 [illegible] day of [illegible], 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 ..... Sept. 1, 1942

Ruth E. Hall,

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE }

Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 368-373 incl.

Assistant Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES T.

THIRD SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1939, 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, 1939, 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, 1939, 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, 1939, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series T, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $1,920,000; and

WHEREAS, by a First and a Second Supplement to said Lease and said Agreement, certain substituted and additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series T; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS THIRD SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Third Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First and Second Supplements thereto, and all the terms and provisions thereof, shall remain in full force and effect.

4. This Third 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 16th day of March, 1946.

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. Dyrenforth

M. E. Ewert

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By T. Cunningham

Vice President.

Attest: W. Mozz

Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

E. Dyrenforth

M. E. Ewert

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By W. [illegible]

Vice President and Comptroller.

Attest: J. W. Burtness

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

[illegible]

[illegible]

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 23rd day of March, 1946, 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.

[redacted]

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 23rd day of March, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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 R. W. Swezey, 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 28, 1948

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 16th day of March, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W

Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
April 1, 1942

Wm. E. Hall,
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 374-379 incl.
Fred R. Zimmerman
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES U.

SECOND SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of December 1, 1939, 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 December 1, 1939, 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 December 1, 1939, 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 December 1, 1939, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series U, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $5,080,000; and

WHEREAS, by a First Supplement to said Lease and said Agreement, certain additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article Fourteenth of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series U; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS SECOND SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Second Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First Supplement thereto, and all the terms and provisions thereof, shall remain in full force and effect.

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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 27th day of February, 1946.

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:

J. Friedrich

W. B. Ewart

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By [illegible]

Vice President.

Attest:

[illegible]

ASSISTANT *Secretary.*

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

J. Friedrich

W. B. Ewart

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By [illegible]

Vice President and Comptroller.

Attest:

[illegible]

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

[illegible]

[illegible]

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 27th day of February, 1946, 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

[redacted]

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 27th day of February, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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 R. W. Swezey, 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 23, 1948

H. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 27th day of February, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
April 1, 1947

Ruth E. Hall
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 380-385 incl.
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES V.

FOURTH SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1941, 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, 1941, 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, 1941, 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, 1941, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series V, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $3,120,000; and

WHEREAS, by a Supplement to said Lease and said Agreement, and a Second Supplement to said Lease and a Third Supplemental Lease, certain substituted and additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series V; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS FOURTH SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Fourth Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and all Supplements thereto, and all the terms and provisions thereof, shall remain in full force and effect.

4. This Fourth 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 20th day of March, 1946.

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. Dornbusch

W. E. Ernst

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By Trumbower

Vice President.

Attest:

Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

E. Dornbusch

W. E. Ernst

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By

Vice President and Comptroller.

Attest:

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

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 23rd day of March, 1946, 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

[redacted]

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 23rd day of March, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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 R. W. Swezey, 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 28, 1948

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 21st day of March, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W

Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 Sept 4, 1947

Rusta E. Hall,

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 386-391 incl.
Theodore Dammann
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES W.

THIRD SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of November 1, 1941, 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 November 1, 1941, 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 November 1, 1941, 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 November 1, 1941, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series W, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $2,744,000; and

WHEREAS, by a First and a Second Supplement to said Lease and said Agreement, certain substituted and additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series W; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS THIRD SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Third Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First and Second Supplements thereto, and all the terms and provisions thereof, shall remain in full force and effect.

4. This Third 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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 13th day of March, 1946.

_____ L. S.

_____ L. S.

Signed, sealed and delivered by V. P. Nelson and Paul B. Robb, in the presence of:

_____

_____

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By _____

Vice President.

Attest:

_____

Assistant Secretary.

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

_____

_____

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By _____

Vice President and Comptroller.

Attest:

_____

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

_____

_____

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 18th day of March, 1946, 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

[redacted]

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 18th day of March, 1946, 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 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, 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 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 F. E. Musgrove 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 F. E. Musgrove is a Vice President and said R. W. Swezey 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 R. W. Swezey, 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 28, 1948

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 15th day of March, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
Sept. 1, 1947

Ruth E. Hall
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:20 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 392-397 incl.
Fred R. Zimmerman
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES X.

SECOND SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of March 1, 1944, 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 March 1, 1944, between **PAUL B. ROBB** and **EDWARD J. FRIEDRICH** (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 March 1, 1944, 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 March 1, 1944, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series X, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $7,260,000; and

WHEREAS, by a First Supplement to said Lease and said Agreement, certain additional equipment was subjected to said Equipment Trust; and

WHEREAS, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

company to assume the unpaid principal balance under Equipment Trust, Series X; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

NOW, THEREFORE, THIS SECOND SUPPLEMENT TO SAID LEASE AND AGREEMENT WITNESSETH:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Second Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First Supplement thereto, and all the terms and provisions thereof, shall remain in full force and effect.

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 have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 8th day of February, 1946.

Paul B Robb L. S.

Edward J Friedrich L. S.

Signed, sealed and delivered by Paul B. Robb and Edward J. Friedrich, in the presence of:

W S Evans

Marylou Powell

Attesting Witnesses.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By Trumbgrove

Vice President.

Attest: W Burton

Asst. *Secretary.*

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

W S Evans

Marylou Powell

Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By E. H. Tuttle

Vice President and Comptroller.

Attest: J W Burtness

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

Thomas J Moore

J B Haynes

Attesting Witnesses.

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F. E. Musgrove, Vice President, and V. P. Nelson, 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 28, 1948

H. J. Groener

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, [illegible], 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 [illegible] day of February, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

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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 14th day of February, 1946, 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 Paul B. Robb and Edward J. Friedrich, 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 Paul B. Robb and Edward J. Friedrich, severally duly acknowledged to me in the presence of said witnesses that [illegible]

[redacted]

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 14th day of February, 1946, 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 V. P. Nelson, 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 V. P. Nelson, 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 V. P. Nelson resides in Chicago, in the State of Illinois; that said F. E. Musgrove is a Vice President and said V. P. Nelson 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

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 ..... Sept 1 1947

Keith C. Hall,

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 398-403, incl.

[illegible]
Secretary of State

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Executed in
18 Counterparts
Counterpart No 4

SERIES Y.

SECOND SUPPLEMENT TO A LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1945, 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, 1945, between **PAUL B. ROBB** and **EDWARD J. FRIEDRICH** (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, 1945, 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, 1945, between the Vendors, the Trustee and the Railroad Trustees, creating Chicago, Milwaukee, St. Paul and Pacific Railroad Equipment Trust, Series Y, and providing for the issue of Equipment Trust Certificates (hereinafter called Trust

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Certificates), not exceeding in aggregate principal amount $2,100,000; and

Whereas, by a First Supplement to said Lease and said Agreement, certain additional equipment was subjected to said Equipment Trust; and

Whereas, it is provided in Article VIII of said Agreement, among other things, as follows:

> "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"; and

Whereas, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized

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company to assume the unpaid principal balance under Equipment Trust, Series Y; and

Whereas, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a party hereto, (hereinafter called the Railroad Company), has succeeded to all the rights and obligations of the Railroad Trustees under said Lease and Agreement and guaranty;

Now, therefore, this Second Supplement to said Lease and Agreement witnesseth:

1. The Railroad Company hereby assumes the guaranty of the Railroad Trustees of the prompt payment of the principal of and dividends upon the Trust Certificates, and all other obligations, now existing and to accrue, of the Railroad Trustees, under said Lease, Agreement and guaranty, and hereby further agrees that said Railroad Company may be substituted for the Railroad Trustees under said Lease and said Agreement and said guaranty, with the same effect as if named therein as a party thereto, in lieu of the Railroad Trustees.

2. The Railroad Company covenants that, with all convenient speed, after the execution hereof, it will cause this Second Supplement to said Lease and to said Agreement to be duly filed, registered or recorded in all offices in which said Lease and said Agreement are now filed, registered or recorded.

3. Except as herein otherwise expressly provided, said Lease and said Agreement, and First Supplement thereto, and all the terms and provisions thereof, shall remain in full force and effect.

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.

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In witness whereof, the Vendors have hereunto set their hands and seals, and the Railroad Company and the Trustee have caused their respective corporate names to be signed hereto by their officers thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, all as of the 15th day of February, 1946.

Paul B. Robb L. S.

Edward J. Friedrich L. S.

Signed, sealed and delivered by Paul B. Robb and Edward J. Friedrich, in the presence of:

W. E. Everett

Marylou Powell

Attesting Witnesses.

Continental Illinois National Bank and Trust Company of Chicago,

By [signature]

Vice President.

Attest: [signature]

Asst. *Secretary.*

Signed, sealed and delivered by Continental Illinois National Bank and Trust Company of Chicago, in the presence of:

W. E. Everett

Marylou Powell

Attesting Witnesses.

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Chicago, Milwaukee, St. Paul and Pacific Railroad Company,

By [signature]

Vice President and Comptroller.

Attest: [signature]

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

[signature]

[signature]

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 18th day of February, 1946, 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 Paul B. Robb and Edward J. Friedrich, 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 Paul B. Robb and Edward J. Friedrich, severally duly acknowledged to me in the presence of said witnesses that they signed, sealed, [redacted] said instrument as their free and

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 18th day of February, 1946, 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 V. P. Nelson, 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 V. P. Nelson, 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 V. P. Nelson resides in Chicago, in the State of Illinois; that said F. E. Musgrove is a Vice President and said V. P. Nelson 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 V. P. Nelson, 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 28, 1948

H. J. Groener
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 15th day of February, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller and 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 .....
[illegible] 1947

.....,
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 26th day of April A. D. 1946 at 9:00 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on pages 404-409 incl.
[illegible]
Commissioner of State

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Executed in
19 Counterparts
Counterpart No 4

Second Supplemental Agreement

DATED AS OF JUNE 27. 1946

BETWEEN

FAIRBANKS. MORSE & CO.

AND

CHICAGO. MILWAUKEE. ST. PAUL AND PACIFIC RAILROAD COMPANY

FURTHER AMENDING CONDITIONAL SALE AGREEMENT DATED AS OF JUNE 25. 1945. TO PERMIT SHIPMENT OF A CERTAIN LOCOMOTIVE FROM SELLER'S BELOIT. WISCONSIN. PLANT ON OR BEFORE OCTOBER 31. 1946.

Second Supplemental Agreement and Assignment

DATED AS OF JUNE 29. 1946

BETWEEN

FAIRBANKS. MORSE & CO.

AND

SEATTLE-FIRST NATIONAL BANK

THE DUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

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This Second Supplemental Agreement, Dated as of June 27, 1946, by and between **FAIRBANKS, MORSE & CO.**, a corporation of the State of Illinois, with an office and place of business in the City of Chicago, Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and **CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY**, a corporation organized and existing under the laws of the State of Wisconsin, (hereinafter sometimes referred to as the "Buyer"), as party of the second part;

WITNESSETH, That:

WHEREAS, the Seller and Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, entered into a written Conditional Sale Agreement, dated as of June 25, 1945, covering the construction, sale and delivery by the Seller, and the purchase and acceptance by the Buyer, of ten (10) new 1000 horsepower Diesel Electric Switching Locomotives, bearing Buyer's Road Numbers 1803 to 1812, both inclusive; upon and subject to the terms and conditions as provided therein; and

WHEREAS, the Seller entered into a written Agreement and Assignment, dated as of June 30, 1945, with Seattle-First National Bank, a national banking association having its principal office in the City of Seattle, State of Washington, whereby the Seller sold, assigned, transferred and set over unto said Bank, as Assignee, all of the right, title and interest of the Seller under said Conditional Sale Agreement in and to said Locomotives upon and subject to the terms and conditions as provided therein; and

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WHEREAS, said Conditional Sale Agreement and said Agreement and Assignment, which were filed, registered and recorded, as required by law, in the States of Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Hennepin County in the State of Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, King County in the State of Washington, and Wisconsin, provided that the parties thereto would be released from their several obligations thereunder with respect to such of said Locomotives as shall not have been shipped from the Seller's works at Beloit, Wisconsin, on or before December 31, 1945; and

WHEREAS, the parties hereto entered into a certain Supplemental Agreement, dated as of December 29, 1945, and Supplemental Agreement and Assignment, dated as of December 31, 1945, which were duly filed, registered and recorded, as aforesaid, by the terms of which the time for delivery of one of said locomotives, which is to bear Buyer's Road Number 1812, was extended to and including June 30, 1946; and

WHEREAS, because of further delays due to causes beyond the control of the parties thereto, the one Diesel Electric Switching Locomotive, which is to bear Buyer's Road Number 1812, will not be shipped from the Seller's works at Beloit, Wisconsin, on or before June 30, 1946, and the parties hereto desire further to amend said Conditional Sale Agreement to provide that said Locomotive may be shipped from the Seller's works at Beloit, Wisconsin, on or before October 31, 1946; and

WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting

the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized company to assume the unpaid principal balance under said Conditional Sale Agreement of June 25, 1945; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded to all the rights and obligations of the Railroad Trustees under said Conditional Sale Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. The seventh paragraph of Section 1, being the second paragraph on Page 4 of said Conditional Sale Agreement, dated as of June 25, 1945, as amended, is hereby further amended to read as follows:

> "In case all of the units of the Equipment shall not be shipped from the Seller's Works at Beloit, Wisconsin, on or before October 31, 1946, the parties hereto shall be released from their several obligations under this Agreement with respect to such units of the Equipment as shall not have been shipped from Seller's Works at Beloit, Wisconsin, on or before October 31, 1946."

2. Said Conditional Sale Agreement, dated as of June 25, 1945, as amended by Supplemental Agreement dated as of December 29, 1945, and as herein further amended, shall remain and continue in full force and effect between the parties hereto, in accordance with the terms, conditions and provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective proper officers and their respective seals to be hereunto affixed,

duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant Cashiers, all as of the day, month and year first herein written.

FAIRBANKS, MORSE & Co.

By S. T. Kiddoo
Vice President.

Attest:

E. T. Sandeen
Assistant Secretary.

Signed, sealed and delivered by Fairbanks, Morse & Co. in the presence of:

R. W. Schroeder
B. F. Lawler
Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By A. C. Thum
Vice President and Comptroller.

Attest:

Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company in the presence of:

John J. Mooney
J. P. Kenney
Attesting Witnesses.

STATE OF ILLINOIS, }
County of Cook. } ss:

I, [illegible], 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 August, 1946, 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 S. T. Kiddoo and E. T. Sandeen, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Fairbanks, Morse & Co., 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 S. T. Kiddoo and E. T. Sandeen, 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 S. T. Kiddoo resides in Chicago, in the State of Illinois, and that said E. T. Sandeen resides in Oak Park, in the State of Illinois; that said S. T. Kiddoo is a Vice President and said E. T. Sandeen is an Assistant Secretary of Fairbanks, Morse & Co., the corporation described in and which executed the within and foregoing instrument in writing; that they, said S. T. Kiddoo, a Vice President, and E. T. Sandeen, an 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 a Vice President and an 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 .....
Aug. 15, 1949

Notary Public in and for the State of Illinois, County of Cook.

STATE OF ILLINOIS, } ss.
County of Cook. }

I, Ruth E. Hall, 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 25th day of July, 1946, 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 J. W. Severs and T. W. Burtness, to me personally known and known to me to be, respectively, Vice President and Comptroller, and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Comptroller, and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said J. W. Severs and T. W. Burtness, 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 J. W. Severs resides in Evanston, in the State of Illinois, and that said T. W. Burtness resides in Oak Park, in the State of Illinois; that said J. W. Severs is Vice President and Comptroller and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said J. W.

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Severs, Vice President and Comptroller, and T. W. Burtness, 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 Comptroller, and 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 .....
September 1, 1947.

Ruth E. Hall

Notary Public in and for the State of Illinois, County of Cook.

This Second Supplemental Agreement and Assignment, dated as of June 29, 1946, by and between **FAIRBANKS, MORSE & CO.**, a corporation of the State of Illinois, with an office and place of business in the City of Chicago, Illinois, (hereinafter sometimes referred to as the "Seller"), as party of the first part, and **SEATTLE-FIRST NATIONAL BANK**, a national banking association having its principal office in the City of Seattle, State of Washington, (hereinafter sometimes referred to as the "Assignee"), as party of the second part;

WITNESSETH, That:

WHEREAS, the Seller and Henry A. Scandrett, Walter J. Cummings and George I. Haight, Trustees of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, entered into a written Conditional Sale Agreement, dated as of June 25, 1945, covering the construction, sale and delivery by the Seller, and the purchase and acceptance by said Trustees, of ten (10) new 1000 horsepower Diesel Electric Switching Locomotives, bearing Buyer's Road Numbers 1803 to 1812, both inclusive; upon and subject to the terms and conditions as provided therein; and

WHEREAS, the Seller and the Assignee entered into a written Agreement and Assignment, dated as of June 30, 1945, whereby the Seller sold, assigned, transferred and set over unto said Assignee all of the right, title and interest of the Seller under said Conditional Sale Agreement in and to said Locomotives on the terms and conditions as provided therein; and

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WHEREAS, a plan of reorganization for Chicago, Milwaukee, St. Paul and Pacific Railroad Company was confirmed by the United States District Court, for the Northern District of Illinois, Eastern Division, and an order was entered by said Court, on November 26, 1945, vesting the Debtor's property in the reorganized company, and authorizing and directing consummation of the plan of reorganization, and specifically authorizing the reorganized company to assume the unpaid principal balance under said Conditional Sale Agreement of June 25, 1945; and

WHEREAS, pursuant to said plan of reorganization and said court order, Chicago, Milwaukee, St. Paul and Pacific Railroad Company has succeeded to all the rights and obligations of said Trustees under said Conditional Sale Agreement; and

WHEREAS, the Seller and Chicago, Milwaukee, St. Paul and Pacific Railroad Company entered into written Supplemental Agreements, dated as of December 29, 1945, and as of June 27, 1946, respectively, whereby said Conditional Sale Agreement, dated as of June 25, 1945, was amended to provide that the one (1) 1000 horsepower Diesel Electric Switching Locomotive covered thereby, and yet to be delivered, being the one which is to bear Buyer's Road Number 1812, may be shipped from the Seller's works at Beloit, Wisconsin, on or before October 31, 1946; and

WHEREAS, the Seller and the Assignee desire to amend said Agreement and Assignment, dated as of June 30, 1945, as amended, to provide for the sale, assignment, transfer and setting over by the Seller unto the Assignee of all of the right, title and interest of the Seller under said Conditional Sale Agreement, so amended, in and to said one (1) 1000 horsepower Diesel Electric Switching Locomotive;

NOW, THEREFORE, for value received and in consideration

of the premises and the acceptance of the amendments to said Agreement and Assignment by the Assignee on the terms and conditions hereinafter set forth, the parties hereto do hereby agree as follows:

1. The first paragraph of the preamble to said Agreement and Assignment dated as of June 30, 1945, is hereby further amended to read as follows:

"WHEREAS, the Seller 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 sometimes referred to as the "Buyers"), have entered into a Conditional Sale Agreement, dated as of June 25, 1945, and the Seller and Chicago, Milwaukee, St. Paul and Pacific Railroad Company, successor to said Trustees, Buyers, have entered into a Supplemental Agreement, dated as of December 29, 1945, and a Second Supplemental Agreement, dated as of June 27, 1946, amending said Conditional Sale Agreement (said Conditional Sale Agreement, as amended, being hereinafter sometimes referred to as the "Agreement"), covering the construction and sale by the Seller, and the purchase by the Buyers, on the conditions set forth in said Agreement, of ten (10) new 1000 horsepower Diesel Electric Switching Locomotives, bearing Buyer's Road Numbers 1803 to 1812, both inclusive, (hereinafter sometimes referred to as "The Equipment"), all as more particularly described in said Agreement, for an aggregate purchase price of Seven Hundred Ninety Thousand, Four Hundred Thirty Dollars ($790,430.00), payable with interest as provided therein."

2. Section 2, Section 3 and Section 6 of said Agreement and Assignment, dated as of June 30, 1945, as amended, are hereby further amended to provide that the

date, "June 30, 1946", now appearing in each of said Sections, shall be changed in each instance to read "October 31, 1946."

3. Said Agreement and Assignment, dated as of June 30, 1945, as amended by Supplemental Agreement and Asfurther amended, shall remain and continue in full force and effect between the parties hereto, in accordance with the terms, conditions and provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement and Assignment to be duly executed by their respective proper officers, and their respective seals to be hereunto affixed and duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant Cashiers, all as of the day, month and year first herein written.

FAIRBANKS, MORSE & Co.

By S. M. Ruddock
Vice President.

Attest:

E. J. Saunders
Assistant Secretary.

Signed, sealed and delivered by Fairbanks, Morse & Co., in the presence of:

R. W. Schroeder

B. D. Lawler
Attesting Witnesses.

SEATTLE-FIRST NATIONAL BANK,

By H. A. Scandrett
Vice President.

Attest:

W. W. Rasmussen
Assistant Cashier.

Signed, sealed and delivered by Seattle-First National Bank, in the presence of:

Faye M. Fagan

Doris J. O'Leary
Attesting Witnesses.

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STATE OF ILLINOIS, } ss.
County of Cook.

I, [redacted], 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 August, 1946, 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 S. T. Kiddoo and E. T. Sandeen, to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of Fairbanks, Morse & Co., 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 S. T. Kiddoo and E. T. Sandeen, 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 S. T. Kiddoo, resides in Chicago, in the State of Illinois, and that said E. T. Sandeen resides in Oak Park, in the State of Illinois; that said S. T. Kiddoo is a Vice President and said E. T. Sandeen is an Assistant Secretary of Fairbanks, Morse & Co., the corporation described in and which executed the within and foregoing instrument in writing; that they, said S. T. Kiddoo, a Vice President, and E. T. Sandeen, an 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 a Vice-President and an 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 Aug 12, 1948

[redacted]
Notary Public in and for the State of Illinois, County of Cook.

[redacted]

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STATE OF WASHINGTON, } ss.
COUNTY OF KING.

I, Harvard Palmer, 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 22nd day of August, 1946, 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 ~~Frank~~ F. E. Coome NP and W. W. Woodward; to me personally known and known to me to be, respectively, Vice President and Assistant Cashier of Seattle-First National Bank, the 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said ~~Frank~~ F. E. Coome NP and W. W. Woodward NP 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 ~~Frank~~ F. E. Coome NP resides in Seattle, in the State of Washington, and that said W. W. Woodward resides in Seattle, in the State of Washington; that said F. E. Coome NP is Vice President and said W. W. Woodward is Assistant Cashier

STATE OF WASHINGTON, } ss.
COUNTY OF KING,

I, NORMAN R. RIDDELL, County Clerk of King County, and ex-officio Clerk of the Superior Court, of the State of Washington, for the County of King, the same being a Court of Record, and having a Clerk and Seal, do hereby certify that Harvard Palmer the person whose name is subscribed to the annexed acknowledgment, certificate of proof or affidavit, and before whom the same was taken, was at the date thereof, and is now a Notary Public in and for the said State, duly appointed and commissioned; that by virtue of his said office, he is authorized to take acknowledgments and proofs of deeds or conveyances of land, tenements, hereditaments, mortgages and other instruments in writing required to be recorded or acknowledged in said State, and to administer oaths.

I DO FURTHER CERTIFY that I am acquainted with the handwriting of said Notary Public and the name subscribed to the said annexed acknowledgement, certificate or proof or affidavit, is his proper and genuine signature, and the same is executed according to the laws of the State of Washington, which do not require the impression of the seal of such Notary Public to be filed in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court at Seattle, King County, Washington, this 23rd day of August, A. D., 1946.

NORMAN R. RIDDELL, Clerk.

By Lewis Abrahamson Deputy

of Seattle-First National Bank, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said ~~Frank~~ F. E. Coome NP and W. W. Woodward Vice President and Assistant Cashier, respectively, know the corporate seal of said association; that the seal affixed to said instruments as the seal of said association is such corporate seal; that it was so affixed thereto by authority of said 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 Cashier in behalf of said association 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 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 association and that said 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 King, State of Washington, this the day and year in this my certificate first above written.

My Commission as such Notary Public expires May 26th, 1947

Harvard Palmer
Notary Public in and for the State of Washington, County of King.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 31st day of August A. D. 1946 at 9:00 o'clock A. M. and recorded in Vol. 38 of Railroad Mortgages on pages 410, 411 & 412.

Walter Ziemann
Assistant Secretary of State.

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WISCONSIN

Executed in 20
Counterparts
Counterpart No 4

Conditional Sale Agreement

DATED AS OF AUGUST 1. 1946

BETWEEN

AMERICAN LOCOMOTIVE COMPANY

AND

CHICAGO. MILWAUKEE. ST. PAUL AND PACIFIC RAILROAD COMPANY

FOR PURCHASE OF

EIGHTEEN 1500 HP DIESEL ELECTRIC ROAD AND SWITCHING LOCOMOTIVES

Agreement and Assignment

DATED AS OF AUGUST 5. 1946

BETWEEN

AMERICAN LOCOMOTIVE COMPANY

AND

THE FIRST NATIONAL BANK OF CHICAGO

THE DONNELLEY-WARREN PRINTING COMPANY, 350 WEST JACKSON, CHICAGO

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This Agreement, dated as of August 1, 1946, by and between **AMERICAN LOCOMOTIVE COMPANY,** a corporation organized and existing under the laws of the State of New York, with its principal office and place of business in the City of New York, N. Y., (hereinafter sometimes called the "Seller"), as party of the first part; and **CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,** a corporation organized and existing under the laws of the State of Wisconsin, with its principal office and place of business in the City of Chicago, Illinois, (hereinafter sometimes referred to as the "Buyer"), as party of the second part;

WITNESSETH THAT:

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

(1) *Construction, Sale and Delivery.* The Seller hereby agrees to construct, in accordance with the specifications hereinafter referred to, sell and deliver to the Buyer, and the Buyer hereby agrees to buy from the Seller and to accept delivery as hereinafter provided, and to pay therefor as hereinafter set forth, the following described railroad equipment (hereinafter sometimes referred to as "Equipment"):

Seven (7) new, 1500 HP Diesel Electric Road and Switching Locomotives With Train Heat Boilers, bearing Seller's Serial Numbers and Buyer's Road Numbers, as follows:

Serial No.	Road No.
73643	975
73644	976
73647	977
73648	978
74989	979
74990	980
74994	981

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Eleven (11) new, 1500 HP Diesel Electric Road and Switching Locomotives Without Train Heat Boilers, bearing Seller's Serial Numbers and Buyer's Road Numbers, as follows:

Serial No.	Road No.
74995	982
74996	983
74999	984
75129	985
75130	986
75133	987
75134	988
75135	989
75138	990
75139	991
75140	992

all as described by Seller's Specification No. E1661 and Seller's proposal dated March 15, 1946, and Buyer's order dated March 30, 1946, and supplements thereto.

Copies of said Specifications have been furnished to the Buyer, and are, by reference, made a part of this Agreement, as fully as though expressly set forth therein.

The purchase price of said Equipment shall be the principal amount of One Hundred Twenty-six Thousand, Two Hundred Nineteen Dollars ($126,219.00) for each 1500 HP Diesel Electric Road and Switching Locomotive With Train Heat Boiler, F. O. B. Buyer's Station, Milwaukee, Wisconsin, and the principal amount of One Hundred Eighteen Thousand, Eight Hundred Nineteen Dollars ($118,819.00) for each 1500 HP Diesel Electric Road and Switching Locomotive Without Train Heat Boiler, F. O. B. Buyer's Station, Milwaukee, Wisconsin. Interest shall be paid by the Buyer at the rate of One and Fifty-five Hundredths Per Cent (1.55%) per annum upon the unpaid balances of said principal amounts, and such interest shall be computed, in the case of each locomotive, in the manner set forth in Section 2 of this Agreement.

It is expressly understood and agreed that in the event there should be a general increase in labor and/or material costs as to warrant, in the opinion of the Seller, increasing either of the above mentioned purchase prices (which prices are otherwise firm), the Seller shall notify the Buyer in writing of the amount of such increase before construction of such locomotives is started, and the Buyer shall have the option of either accepting such locomotives at the increased purchase price, or terminating this Agreement, in so far as it pertains to the construction, sale, delivery and acceptance of any such locomotives, which option shall be exercised by notice in writing to the Seller within fifteen (15) days after receipt by the Buyer of notice from the Seller of such price increase. In case such notice or notices terminate this Agreement with respect to any such locomotive or locomotives, this Agreement shall not thereafter be applicable thereto, but shall remain in full force and effect with respect to any and all other locomotives then or thereafter delivered hereunder. Unless such notice by the Buyer is in fact received by the Seller within the period specified, it shall be presumed that such increase is acceptable to the Buyer, and the Seller shall be authorized to proceed with the construction of such locomotives. If either of the above mentioned purchase prices of such locomotives is increased pursuant to the provisions of this paragraph, the amount of any such increase in such purchase price shall be paid in cash by the Buyer to the Seller, on the date of acceptance thereof. Copies of any such notices by either Seller or Buyer shall be promptly furnished any assignee hereof.

It is further expressly understood and agreed, that, in the event there should be a reduction in the purchase price

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of any of said locomotives before delivery, the amount of such reduction shall be applied by the Seller toward the down payment on the purchase of any such locomotive.

The Seller shall deliver said locomotives, freight charges prepaid, to the Buyer at the Buyer's station in Milwaukee, Wisconsin, from time to time, and whenever any of said locomotives are completed and ready for shipment. The Buyer agrees to assume the responsibility and risk of loss in and of the removal of the said locomotives from the Seller's plant at Schenectady, New York, to the place of delivery to the Buyer.

After receipt and inspection of each locomotive by the Buyer or its agents, the Buyer's Chief Mechanical Officer, or his duly authorized representative, shall, if said locomotive meets said specifications, execute in duplicate a certificate of acceptance. The execution of such certificate of acceptance shall be conclusive evidence the locomotive covered conforms with specifications and is acceptable to the Buyer in all details.

In case all of the units of the equipment shall not be delivered as aforesaid, on or before May 1, 1947, the parties hereto shall be released from their several obligations under this Agreement, with respect to such units of equipment as shall not have been delivered as aforesaid, on or before May 1, 1947.

Seller's obligation as to time of shipment is subject, however, to delays due to accident, fire, flood, explosion, labor troubles, Acts of the Government, including embargoes, priorities and allocations, war and war conditions, delays of carriers, delays or defaults of subcontractors, or delays in receipt of materials, or to any other cause or causes (whether or not of the same kind as herein specifically enumerated) beyond the Seller's reasonable control.

(2) *Amount and Payment of Purchase Price.* Conditional only upon the receipt and acceptance of each locomotive, which may be conclusively presumed from the execution of the Certificate of Acceptance above referred to, the Buyer hereby promises to pay to the Seller, or the assignee thereof, at such place as may be designated by the Seller or its assignee, as the purchase price of said Equipment, the following amounts:

(a) Thirty-one Thousand, Seven Hundred Nineteen Dollars ($31,719.00) for each 1500 HP Diesel Electric Road and Switching Locomotive With Train Heat Boiler, representing approximately twenty-five per cent (25%) of the purchase price of each such road and switching locomotive with train heat boiler, and Twenty-nine Thousand, Eight Hundred Nineteen Dollars ($29,819.00) for each 1500 HP Diesel Electric Road and Switching Locomotive Without Train Heat Boiler, representing approximately twenty-five per cent (25%) of the purchase price of each such road and switching locomotive without train heat boiler, shall be paid to the Seller upon presentation of an invoice for such locomotive supported by the Certificate of Acceptance in respect of such locomotive;

(b) On the first of the quarterly payment dates, which are hereby fixed as January 1, April 1, July 1, and October 1 of each year, following the date of delivery to and acceptance by the Buyer of each of the locomotives, interest at the rate of One and Fifty-five Hundredths Per Cent (1.55%) per annum on the unpaid purchase price of each locomotive from the date of its acceptance to said first quarterly payment date following the date of said acceptance;

(c) Commencing on the second of the quarterly payment dates (January 1, April 1, July 1, or October 1) following the date of delivery to and acceptance by the Buyer

of each of the locomotives and continuing for a total of forty (40) consecutive quarterly installment payments, the respective amounts of Two Thousand, Five Hundred Fifty-four Dollars and Eighty-eight Cents ($2,554.88), excepting the fortieth (40th) quarter, when the amount shall be Two Thousand, Five Hundred Fifty-five Dollars and Eighteen Cents ($2,555.18) for each 1500 HP Diesel Electric Road and Switching Locomotive With Train Heat Boiler, and Two Thousand, Four Hundred Six Dollars and Nineteen Cents ($2,406.19) per quarter for each 1500 HP Diesel Electric Road and Switching Locomotive Without Train Heat Boiler. In each instance, each of said forty (40) quarterly installment payments includes both principal and interest at the rate of One and Fifty-five Hundredths Per Cent (1.55%) per annum upon the unpaid balance of the purchase price of each such locomotive, and shall be applicable first to the interest then due, and the balance to principal.

In addition, in case of any acceptable price increase, made pursuant to Section 1, Buyer shall pay the amount thereof to Seller, in cash, on the date of acceptance of the locomotive or locomotives, to which such price increase is applicable.

The Buyer further covenants and agrees to pay interest at the rate of 4% per annum upon all such amounts, principal and interest, after the same become due and payable pursuant to the terms and provisions hereof.

All payments provided for in this Agreement shall be made by the Buyer at such place as may be designated by the Seller or its assignee, 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.

The Buyer shall have the privilege of prepaying at any time, without the payment of any premium, any sum of

the principal in an amount of $25,000.00 or any multiple thereof, together with interest accumulated to the date of such payment on such sum so prepaid. All such principal sums so prepaid shall be applied with suitable allowance of interest at said rate of 1.55% per annum toward the payment of the last maturing installment or installments due hereunder.

(3) *Title to the Equipment.* The Seller shall, and hereby does, retain the full legal title to and property in, any and all of said Equipment until the Buyer shall have made all of the payments, and shall have kept and performed all of the covenants, in this Agreement provided to be made, kept or performed by the Buyer, notwithstanding the delivery of the Equipment to, and the possession and use thereof by, the Buyer as herein provided.

The Buyer covenants and agrees that it will cause each unit of the Equipment to be kept numbered with the proper road numbers and to be kept plainly marked, on metal plates upon both sides of each unit of the Equipment covered by this Agreement, with the name of the Seller or of the Seller's assignee, as the case may be, followed by the word "Owner" or other appropriate words designated by the Seller, and the Buyer agrees that it will not accept delivery of, or place said Equipment in operation or exercise any control or dominion over any part thereof until said metal plates so marked have been attached on both sides of each unit of said Equipment.

The Buyer shall replace the Equipment or any of it or any parts, at its own cost if the Equipment or any of it or any parts shall be lost or destroyed from any cause whatever during the continuance of this Agreement, with other Equipment of similar type and of substantially as good material and construction as that lost or destroyed. The Buyer will cause any such new Equipment to be marked

as above provided and to be numbered with the same road number as the Equipment so replaced. Any and all such replacements of Equipment or any of it and of any parts shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement, as though part of the original Equipment delivered hereunder, and included in the word "Equipment" as used in this Agreement. Title to all such new Equipment shall be taken initially, and shall remain, in the name of the Seller (or if this Agreement shall have been assigned, in the name or names of the assignee or assignees, as the case may be) subject to the provisions hereof.

Except as above provided, the Buyer will not allow the name of any person, association or corporation to be placed on the Equipment or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof; provided, however, that the Buyer may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Buyer's interest therein.

When and only when the Seller has been paid the full purchase price for all Equipment, together with interest and any and all other payments as herein provided, and all of the Buyer's covenants and conditions herein contained have been performed by the Buyer, title to and property in all of the Equipment shall pass to and vest in the Buyer without further transfer or act on the part of the Seller, except that the Seller shall, if so requested by the Buyer so to do, execute and deliver to the Buyer a bill or bills of sale of all of said Equipment, transferring the title to and property in said Equipment to the Buyer free and clear of all liens and encumbrances created or retained hereby or by any act, default or omission of the Seller, and shall execute for record or for filing in public

offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Buyer to all of said Equipment.

(4) *Taxes.* All payments to be made by the Buyer hereunder shall be free of expenses to the Seller for collection or other charges, and of the amount of any State or Federal taxes (other than State and Federal income and excess profits taxes) hereafter levied or imposed directly upon this Agreement and/or the manufacture of the Equipment covered hereby and/or any sale, payment, shipment, delivery or use under the terms hereof, all of which expenses and taxes the Buyer assumes and agrees to pay in addition to the above mentioned purchase price of said Equipment. The Buyer shall also pay promptly all taxes and assessments which may be imposed upon the Equipment or the earnings arising therefrom or the operation thereof, or upon the Seller by reason of its ownership thereof, by any jurisdiction in which the Equipment is operated by the Buyer, and agrees to keep at all times all and every part of the Equipment free and clear of all taxes, assessments, liens and encumbrances, except that the Buyer may, in good faith, appropriately contest any tax or assessment levied upon the Equipment.

(5) *Compliance with Laws, Rules and Regulations.* The Buyer covenants that the Equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the Equipment may be subject. The Buyer further covenants that it will comply in all respects with all acts of Congress and with the laws of the United States and of the States and Territories into which its operations involving the Equipment may extend during the term of this Agreement, and with all lawful rules of the Interstate

Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the Equipment, and in the event that said laws or rules require the alteration of any of the Equipment, the Buyer agrees to conform therewith, at its expense, and to maintain the same in proper condition for operation under such laws and rules during the life of this Agreement; provided, however, that the Buyer may in good faith contest, in any reasonable manner, the application of any such law or rule which does not, in the judgment of Seller, affect the Seller's title in and to the Equipment.

(6) *Servicing, Replacements and Maintenance.* Seller will send a competent person to the point of delivery of the locomotives, to superintend the placing of the same in working condition. Buyer shall provide each such person, without expense to Seller, with all the necessary labor, materials, locomotive supplies and transportation on lines owned or controlled by Buyer.

The Buyer covenants and agrees that it will at all times after the delivery of such equipment, maintain and keep said Equipment in good order and repair at its expense, and shall bear the risk, and shall not be released from its obligations hereunder in case of any and all damage, loss or destruction of said Equipment from whatever cause arising.

Seller shall furnish and install at its expense, at its works, or deliver to Buyer at Seller's works, a new part or parts to replace any part or parts in the locomotives which may fail under normal service within one year after delivery and acceptance, by reason of faulty work performed or defective material furnished by Seller, all as set forth in said proposal and specification hereinabove referred to; provided that Buyer notifies Seller of the

fault when it is first discovered and Seller is accorded an opportunity to verify the same. Seller shall not be liable for any fault or defect in the locomotives, except as in this Section and in said specifications and proposal provided.

(7) *Reports and Inspection.* The Buyer hereby agrees to furnish to the Seller, if requested, once in every year as long as this Agreement shall be in force, an accurate inventory of the Equipment in actual service, the numbers and the description of such Equipment as may have been destroyed and replaced by other, and the then location of said Equipment. In addition thereto, the Buyer agrees to furnish to the Seller, if requested, once in each year, as long as this Agreement shall remain in force, a report of inspection by the Buyer's Chief Mechanical Officer, or, if the Seller shall so request, by a competent disinterested party, satisfactory to the Seller, certifying that said Equipment has been maintained, and is, in good order and repair.

The Buyer shall promptly and fully inform the Seller of any loss or destruction of any of the Equipment and of any substantial repairs made or being made upon it or any of it. If requested by the Seller, the Buyer shall furnish to the Seller a report of the Buyer's Chief Mechanical Officer, or, if the Seller shall so request, of a competent disinterested party, satisfactory to the Seller, covering the nature and extent of any damage to the Equipment, and the satisfactory repair thereof.

The Seller shall have the right, but shall be under no obligation, to inspect the Equipment at any reasonable time or times during the continuance of this Agreement. The Buyer agrees, in so far as it may legally do so, to supply free transportation over its lines to designated agents of the Seller for the purpose of enabling such agents to reach the point or points where the Equip-

ment is in operation, for the purpose of making such inspection or of assisting and instructing the employees of the Buyer in the proper operation and maintenance of its Equipment.

(8) *Use and Location.* The Buyer agrees that after the delivery of any of the equipment and at all times during the continuance of this Agreement, such Equipment will be kept, maintained and used solely by the Buyer upon the lines of railroad owned and operated by it in the States of Illinois, Indiana, Iowa, Wisconsin, Minnesota, Michigan, North Dakota, South Dakota, Kansas, Missouri, Nebraska, Montana, Idaho and Washington.

(9) *Prohibition against Liens.* The Buyer hereby agrees to pay or satisfy and discharge any and all sums claimed by any party by, through or under the Buyer and its successors or assigns which, if unpaid, might become a lien or a charge upon the Equipment or any of it, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment.

(10) *Indemnities and Guaranties.* The Buyer hereby agrees to save, indemnify and keep harmless the Seller from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment or the use or operation thereof. Said covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the Equipment as provided in Section 3 hereof.

The Buyer will bear the risk, and shall not be released from its obligations hereunder in the event of any dam-

age to, or the destruction or loss of, any or all of the Equipment; provided, however, that the Seller and any successor or successors to its manufacturing property and business shall not, as to any of the Equipment, be relieved from its guaranty covering material and workmanship set forth in Section 6 hereof or in the specifications hereinbefore referred to. Seller for itself and any successor or successors to its manufacturing property and business, also agrees to save, indemnify and keep harmless the Buyer from and against any and all royalties, damages, claims, suits, judgments and costs that may arise in the use of any patented article on the Equipment at the time of delivery, except with regard to any appliances, devices or materials specified or required by the Buyer and not manufactured by the Seller.

(11) *Assignments by the Seller.* All or any of the rights of the Seller under this Agreement, including the right to receive the payments herein provided to be made by the Buyer, may be assigned by the Seller 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 the Seller or the successor or successors to its manufacturing property and business from, any of the obligations of the Seller to construct and deliver the Equipment herein to be delivered in accordance with the specifications, or to respond to its guaranties, warranties and indemnities, contained in Sections 1, 6 and 10 hereof.

Upon any such assignment the assignor shall give written notice to the Buyer, together with a counterpart or conformed copy of such assignment, stating the identity and postoffice address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Seller's right, title and interest in and to the Equipment and

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each and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Buyer of the notification of any such assignment, all payments thereafter to be made by the Buyer hereunder shall, to the extent so assigned, be made to the assignee.

In the event that this Agreement is assigned by the Seller as hereinbefore provided, the rights of such assignee to the entire unpaid purchase price, or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Seller or the successors to its manufacturing business in respect of the Equipment or the manufacture, delivery, guaranty or warranty thereof, or in respect of any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyer by the Seller or the successors to its manufacturing business. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Buyer against and only against the Seller and the successor or successors to its manufacturing property and business, and shall not be enforceable against any party or parties in whom title to the Equipment or any of it, or the rights of the Seller hereunder, shall vest by reason of any sale, assignment or transfer, or successive sales, assignments or transfers.

In the event of any such sale, transfer or assignment, or successive sales, transfers or assignments by the Seller, of title to any of the Equipment and of the Seller's rights hereunder in respect thereof, the Buyer shall, whenever requested by such vendee, transferee or assignee, change

the name plates to be attached on both sides of each unit of the Equipment so as to indicate the title of such vendee, transferee or assignee to such equipment and its succession to the rights of the Seller hereunder, such plates to bear such words or legend as shall be specified by said vendee, transferee or assignee. The cost of obtaining and attaching the first series of such substituted plates shall be borne by American Locomotive Company. The cost of obtaining and attaching plates in connection with any subsequent assignment shall be borne by such subsequent vendee, transferee or assignee.

In the event that this Agreement is assigned by the Seller as hereinbefore provided, the Assignee under its assignment shall, in addition to and without in any manner impairing or limiting its rights, titles, and interests thereunder and hereunder, be free of expenses for collection or other charges and of the amount of any state or federal taxes (other than state and federal income and excess profits taxes) levied or imposed directly upon this Agreement and/or the manufacture of the Equipment covered hereby and/or any sale, payment, shipment, delivery or use under the terms of this Agreement, all of which expenses and taxes shall be assumed and paid by either the Buyer or American Locomotive Company, as their respective obligations may be, pursuant to the specifications and proposals referred to in Section (1) hereof and as provided in Section (4) hereof, or otherwise.

The term "Seller" whenever used in this Agreement means, before any assignment of all or any rights of the Seller hereunder as hereinbefore provided in this Section 11, American Locomotive Company, and after any such assignment, the assignee or assignees for the time being of all of such rights.

(12) *Assignments by the Buyer.* The Buyer covenants

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and agrees that it will not sell, assign, transfer or otherwise dispose of its rights under this Agreement, nor transfer possession of said Equipment to any other firm, person or corporation without first obtaining the written consent of the Seller to such sale, assignment or transfer.

The Buyer hereby covenants and agrees that it will not pledge, hypothecate or in any way encumber, or permit the encumbrance of, any part or all of said Equipment.

(13) *Defaults and Acceleration.* In the event that any one or more of the following events of default shall occur, to-wit:

(a) The Buyer shall fail to pay in full when due any installment of principal or of interest at the time and in the manner hereinbefore contracted to be paid as provided in Section 2 hereof; or

(b) The Buyer shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept and performed;

then at any time after the occurrence of such an event of default, the Seller may, upon written notice to the Buyer, and upon compliance with any legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, together with the unpaid interest thereon, whether the same shall then have fallen due or not, immediately due and payable, without further demand, and thereafter the entire sum shall carry interest at the rate of 4% per annum upon any portion thereof then overdue, from the date of such default.

The Seller may at its election (and, if before sale or before full performance of this Agreement all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, and all sums which shall then have become due and payable

by the Buyer hereunder, other than such part of said purchase price as shall have become due only because of a declaration under this Section as aforesaid, shall have been paid by the Buyer, and all other existing defaults shall have been remedied, or provision therefor satisfactory to the Seller shall have been made, then and in every such case the Seller shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by notice to the Buyer in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such cured default had existed and no such declaration or termination had been made; but no such waiver, rescission or annulment shall limit or affect the Seller's right, upon any other default, or impair any rights or remedies consequent thereon.

(14) *Remedies.* If the Buyer shall make default as hereinabove provided, then at any time after such notice of declaration of default and during the continuance of such default the Seller may, without further notice or demand except to the extent necessary in order to comply with any legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any of it, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Buyer any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 14 expressly provided, and may remove the same from the use and possession of the Buyer and for such purpose may enter upon the Buyer's premises where the Equipment may be located, and may use and employ in connection with such removal, at the expense of the Buyer, any supplies, services and aids, and any available trackage and other facilities or means of the Buyer, without process of law;

and the Buyer shall deliver the Equipment, or any of it, with all replacements, improvements, equipment, attachments and accessories thereof, at Buyer's own cost at such place or places on Buyer's railroad as the Seller may reasonably designate and for such purpose move or draw the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery the Seller shall have the right to store the same upon the premises of the Buyer without charge until the Seller shall desire to remove the same therefrom. And it is hereby expressly agreed by the Buyer that performance of this Agreement to deliver the Equipment as hereinbefore provided is of the essence of the Agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Buyer requiring specific performance hereof.

If the Buyer shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller with or without retaking possession thereof may sell the Equipment, or any of it, and any such replacements, improvements, equipment, attachments and accessories, free from any and all claims of the Buyer, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Seller may fix (unless the Seller shall, as so permitted, specify a different place or places, in which case the sale or sales shall

be held at such place or places and at such time or times as the Seller may specify), in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine in compliance with any such legal requirements, provided that the Buyer shall be given written notice of such sale as provided in any such applicable legal requirements, but in any event no less than ten (10) days prior thereto, by telegram or registered mail addressed to the Buyer at Chicago, Illinois. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Buyer to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment or any of it so offered for sale without accountability to the Buyer (except to the extent of surplus money received as hereinafter provided in the last paragraph of this Section 14), and in payment of such purchase price the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Buyer hereunder.

Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exer-

cise of any such power or remedy, and no renewal or extension of any payments due hereunder shall impair any such power or remedy, or shall be construed to be a waiver of any default, or any acquiescence therein.

If the Seller shall exercise any of the powers or remedies conferred upon it hereunder, the Buyer shall have the right after all sums due hereunder to the Seller shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to the Equipment, if not previously sold or otherwise disposed of by the Seller pursuant to the provisions hereof, to be transferred and assigned by the Seller to the Buyer free from any further liabilities or obligations to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Buyer shall pay the amount of such deficit to the Seller. If after payment of all proper costs and expenses of the Seller incurred in the enforcement of its remedies hereunder and after applying as aforesaid all sums realized by the Seller there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Buyer.

(15) *Applicable State Laws.* Any provision of this Agreement prohibited by any applicable law of any State, or which by any applicable law of any State would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable State law may be waived they are hereby waived by the Buyer to the full extent permitted by law,

to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

(16) *Extension Not a Waiver.* Any extension of time granted by the Seller to the Buyer for the payment of any sum due under this Agreement, whether that extension be for an intermediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor any of its rights and remedies hereunder or otherwise existing.

(17) *Recording.* The Buyer shall cause this Agreement to be filed, registered and recorded wherever required for the proper protection of the Seller's title to the Equipment and any replacement or replacements, and its rights under this Agreement; and the Buyer 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 the Seller for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this Agreement.

(18) *Payment of Expenses.* The Buyer shall pay all costs, charges and expenses, except the counsel fees of Seller, incident to the preparation, printing, execution, acknowledgment, filing, registering and recording of this Agreement and of the first assignment or assignments by the Seller of title to the Equipment, and of any instrument supplemental hereto or amendatory hereof.

(19) *Execution of Counterparts.* This Agreement may be simultaneously executed in two 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 contract, which shall be sufficiently evidenced by any such original counterpart.

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(20) *Section Headings.* All section, paragraph or division headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(21) *Modification of Agreement.* This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire Agreement between the Buyer and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Buyer and the Seller.

(22) *Possession and Use of the Equipment by the Buyer.* So long as the Buyer shall not be in default under this Agreement, the Buyer shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad aforesaid from and after the delivery of the Equipment by the Seller to the Buyer, but only upon and subject to all terms and conditions of this Agreement.

(23) *Law Governing.* As the Equipment covered by this Agreement may be used in various states which may have conflicting laws as to the rights and obligations of the parties hereunder, it is agreed that, irrespective of the place of execution of this Agreement or of the place of delivery and use of the Equipment, all rights and obligations of the parties hereto to each other under the terms of this Agreement, shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, American Locomotive Company has caused these presents to be executed by its duly elected officers pursuant to lawful resolutions, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company, has caused this instrument to be executed by its duly elected

officers pursuant to lawful resolutions, all as of the day, month and year first above written.

AMERICAN LOCOMOTIVE COMPANY,

By _____
Vice-President.

Attest:

_____
Asst. Secretary.

Signed, sealed and delivered by American Locomotive Company in the presence of:

_____
_____
Attesting Witnesses.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,

By _____
Executive Vice-President.

Attest:

_____
Secretary.

Signed, sealed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company, in the presence of:

_____
_____
Attesting Witnesses.

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STATE OF NEW YORK, COUNTY OF NEW YORK. } ss.

I, Mary E. Armstrong, 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 9 day of September, 1946, 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. J. FOLEY and H. J. Bolte, to me personally known and known to me to be, respectively a Vice-President and an Asst. Secretary of American Locomotive Company, 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. J. FOLEY and H. J. Bolte, 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. J. FOLEY resides in Englewood in the State of New Jersey, and that said H. J. Bolte resides in Teaneck in the State of New Jersey; that said F. J. FOLEY is a Vice-President and said H. J. Bolte is an Asst.

State of New York, County of New York, } ss.: No. 75429 Form 1

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY, That

Mary E Armstrong

whose name is subscribed to the annexed instrument, was, at the time of signing the instrument, a NOTARY PUBLIC, duly commissioned and sworn, and qualified to act as such in New York County, and authorized by the laws of the State of New York to protest notes, to take and certify depositions, to administer oaths and affirmations, and to certify the acknowledgment or 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 the said Notary Public, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the annexed instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 10 day of Sept 194 6

FEE PAID 25¢

Archibald R Watson

County Clerk and Clerk of the Supreme Court, New York County

Secretary of American Locomotive Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said F. J. FOLEY, a Vice-President, and H. J. Bolte, an Asst. 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 a Vice-President and an Asst. 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 New York, State of New York, this the day and year in this my certificate first above written.

My commission as such Notary Public expires March 30 1948

Mary E. Armstrong

Notary Public in and for the State of New York, County of New York.

MARY E. ARMSTRONG
NOTARY PUBLIC, State of New York
N. Y. Co. Cle's No. 130, Reg. No. 81A8
Commission Expires March 30, 1948

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STATE OF ILLINOIS, COUNTY OF COOK. } ss.

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 5th day of September, 1946, 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 C. H. Buford and T. W. Burtness, to me personally known and known to me to be, respectively, Executive Vice-President and Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, 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 Executive 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 C. H. Buford and T. W. Burtness, 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 C. H. Buford resides in Evanston in the State of Illinois, and that said T. W. Burtness resides in Oak Park in the State of Illinois; that said C. H. Buford is Executive Vice-President and said T. W. Burtness is Secretary of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, said C. H. Buford, Executive Vice-President, and T. W. Burtness, 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 Executive Vice-President and 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 November 12, 1947

R. W. Spangenberg

Notary Public in and for the State of Illinois, County of Cook.

[redacted]

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This Agreement and Assignment, dated as of August 5, 1946, by and between **AMERICAN LOCOMOTIVE COMPANY**, a corporation organized and existing under the laws of the State of New York, with its principal office and place of business in the City of New York, N. Y., (hereinafter sometimes referred to as the "Seller"), as party of the first part, and **THE FIRST NATIONAL BANK 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 sometimes referred to as the "Assignee"), as party of the second part;

WITNESSETH THAT:

WHEREAS, the Seller and Chicago, Milwaukee, St. Paul and Pacific Railroad Company (hereinafter sometimes referred to as the "Buyer"), have entered into a Conditional Sale Agreement, dated as of August 1, 1946 (hereinafter sometimes referred to as the "Agreement"), covering the construction and sale by the Seller, and the purchase by the Buyer, on the conditions set forth in said Agreement, of Seven (7) new 1500 HP Diesel Electric Road and Switching Locomotives With Train Heat Boilers, bearing Buyer's Road Numbers 975 to 981, both inclusive, and Eleven (11) new 1500 HP Diesel Electric Road and Switching Locomotives Without Train Heat Boilers, bearing Buyer's Road Numbers 982 to 992, both inclusive, (hereinafter sometimes referred to as the "Equipment"), all as more particularly described in said Agreement, for an aggregate purchase price of Two Million, One Hundred Ninety Thousand, Five Hundred Forty-two Dollars ($2,190,542.00), payable with interest as provided therein; and

WHEREAS, the Assignee has agreed to purchase the rights of the Seller under said Agreement, in and to the said Equipment and the payments therefor, as provided in said Agreement, and the Seller has agreed to assign the same to the Assignee;

NOW, THEREFORE, for value received, and in consideration of the acceptance of this Assignment by said Assignee, upon the terms and conditions hereinafter set forth, it is agreed:

1. The Seller does hereby sell, assign, transfer and set over unto the Assignee, its successors and assigns, all of the right, title and interest of the Seller under said Agreement in and to said Equipment, and in and to the payments of purchase price and interest thereon to be made by the Buyer, and in and to any sums becoming due under said Agreement (except the right to receive the initial cash payment of Thirty-one Thousand, Seven Hundred Nineteen Dollars ($31,719.00) for each 1500 HP Diesel Electric Road and Switching Locomotive With Train Heat Boiler, and Twenty-nine Thousand, Eight Hundred Nineteen Dollars ($29,819.00) for each 1500 HP Diesel Electric Road and Switching Locomotive Without Train Heat Boiler, said initial cash payments to be made by the Buyer directly to the Seller), together with all of the rights of the Seller in respect thereof, set forth in said Agreement as applying to the Seller thereunder, as therein defined, but without recourse to the Seller, for or on account of any failure of payment or compliance with any of the terms or provisions of said Agreement on the part of the Buyer; provided, however, that this Assignment shall not subject the Assignee to, or relieve the Seller, or any successor or successors to its manufacturing properties and business, from complying with the obligations of the Seller to construct and deliver the Equipment, as in the Agreement provided,

or complying with the provisions of Sections 6 and 10 of said Agreement, or relieve the Buyer from its obligations under Sections 4 and 10 of said Agreement; it being understood and agreed, however, that, notwithstanding this Assignment, or any subsequent assignment pursuant to Section 5 hereof, all said obligations of the Seller to the Buyer, in respect of the Equipment, shall be and remain enforceable by the Buyer, its successors and assigns, against, and only against, the Seller, and any successor or successors to its manufacturing properties and business. In furtherance of this Assignment and transfer, the Seller does hereby authorize and empower the Assignee to ask, demand, sue for, collect, receive and enforce payments to be made, and compliance, on the part of the Buyer, with the terms and provisions of said Agreement in respect of said Equipment, but in the name of, and at the expense and liability, and for the sole benefit of the Assignee.

2. From time to time, as each unit of said Equipment is delivered to and accepted by the Buyer, the Assignee shall pay, and it hereby covenants and agrees to pay, to the Seller, in lawful money of the United States, the sum of Ninety-four Thousand, Five Hundred Dollars ($94,500.00) for each 1500 HP Diesel Electric Road and Switching Locomotive With Train Heat Boiler, and the sum of Eighty-nine Thousand Dollars ($89,000.00) for each 1500 HP Diesel Electric Road and Switching Locomotive Without Train Heat Boiler, so delivered, upon receipt of a duplicate of the Seller's invoice, covering each locomotive so accepted, showing receipt by the Seller of the initial payment hereinabove referred to, and of Certificate of Acceptance signed by the Buyer's Chief Mechanical Officer, or his duly authorized representative, stating that the unit of equipment covered by such Certificate of Acceptance has been delivered to and accepted by him on behalf of the

Buyer as conforming in all respects to the terms of the Agreement, and that, at the time of such delivery, there was attached to each side of each unit of said Equipment, a metal plate indicating the Seller as Owner, it being the intention of the parties to provide, by this Assignment, that as each unit of said Equipment is delivered as in said Agreement provided, on or before May 1, 1947, to and is accepted by the Buyer, the Seller shall receive from the Assignee the aforesaid balance of the purchase price. Assignee shall pay to Seller the accrued interest on the aforesaid balance of purchase price, from the date of acceptance of each locomotive to the date of payment by Assignee.

Upon receipt by the Seller from the Assignee of the balance of the purchase price as aforesaid, the Seller warrants that there will be plainly, permanently and conspicuously placed, fastened and maintained, on each side of each unit of said Equipment, in place of the aforesaid plate indicating the Seller as Owner, a metal plate bearing the following words:

"THE FIRST NATIONAL BANK OF CHICAGO, OWNER BY ASSIGNMENT FROM AMERICAN LOCOMOTIVE COMPANY, MANUFACTURER AND PRIOR OWNER."

3. It is understood and agreed, that the obligation of the Assignee to pay the purchase price of each unit of said Equipment, shall only extend to such units of said Equipment as shall be delivered to and accepted by the Buyer as in said Agreement provided, on or before May 1, 1947, and that the duty of the Assignee to pay the balance of the purchase price of any unit of said Equipment not so shipped, delivered and accepted, shall absolutely cease.

4. The Seller represents and warrants to the Assignee, its successors and assigns, that said Agreement was lawfully executed for a valid consideration, that it is a valid

and existing contract, and, according to its terms, binding upon the parties thereto.

The Seller covenants and agrees that it will construct said Equipment in full and complete accordance with the Agreement, and that it will deliver the same, upon completion thereof, to the Buyer, free of all liens and encumbrances, and in accordance with the provisions of said Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each and all of the covenants and conditions of said Agreement, set forth to be performed and complied with by the Seller. The Seller further covenants and agrees that it has good and lawful right to sell the said Equipment as aforesaid; and that it will warrant and defend the same against the lawful demands of all persons whomsoever, based on claims originating prior to the delivery of said Equipment by the Seller to the Buyer; all subject, however, to the provisions of said Agreement and the rights of the Buyer thereunder.

5. The Assignee agrees not to assign its interest in said Agreement or the title to said Equipment, unless its assignee shall, by the terms of the assignment or otherwise, assume and become bound by such of the provisions of said Agreement as an assignee is required to assume and become bound by under the terms of said Agreement. The Assignee further agrees that it will not transfer or assign its interest in said Agreement or the title to the Equipment, without requiring of the assignee or transferee, an agreement similar to that made by the Assignee in this Section.

6. The rights of the Assignee to the entire unpaid purchase price of said locomotives delivered to and accepted by the Buyer as in said Agreement provided, on or before May 1, 1947, and interest thereon, as well as any

other rights as may be so assigned hereunder, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of Seller, or the successor or successors to its manufacturing properties and business, in respect of the construction or delivery of the Equipment, or under Sections 6 and 10 of said Agreement, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Buyer by Seller, or the successor to its manufacturing business.

7. The Seller agrees to indemnify, save and keep harmless the Assignee from and against any and all royalties, damages, claims, suits, judgments and costs that may arise because of the claim that the use of any article in the construction of the Equipment, and thereon at the time of delivery thereof (except any design or articles specified or required by the Buyer and not manufactured by the Seller), infringes any patent.

8. This Agreement and Assignment may be simultaneously executed in two 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.

9. It is agreed that, irrespective of the place of execution of this Agreement and Assignment, all rights and obligations hereunder of the parties hereto shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Assignment to be duly executed by their respective proper officers and their respective seals to be hereunto affixed, duly attested by their respective Secretaries or Assistant Secretaries or Cashiers or Assistant

Cashiers all as of the day, month and year first herein written.

AMERICAN LOCOMOTIVE COMPANY,

By _____
Vice-President.

Attest:

_____
Assistant Secretary.

Signed, sealed and delivered by American Locomotive Company in the presence of:

Harold A. Dehn

Flo M. Laughlin

Attesting Witnesses.

THE FIRST NATIONAL BANK OF CHICAGO,

By _____
Vice-President.

Attest:

_____
Assistant Cashier.

Signed, sealed and delivered by The First National Bank of Chicago in the presence of:

Dorothy Lucas

Frances M. Niekmann

Attesting Witnesses.

STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss.

I, Mary E. Armstrong, 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 9 day of September, 1946, 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. J. FOLEY and H. J. Bolte, to me personally known and known to me to be, respectively, a Vice-President and an Asst. Secretary of American Locomotive Company, 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 Asst. Secretary, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. J. FOLEY and H. J. Bolte, 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. J. FOLEY resides in Englewood in the State of New Jersey and that said H. J. Bolte resides in Rankok in the State of New Jersey; that said F. J. FOLEY is a Vice-President and said H. J. Bolte is an Asst. Secretary of American Locomotive Company, the corporation described

in and which executed the within and foregoing instrument in writing; that they, said F. J. FOLEY, a Vice-President, and H. J. Bolte, an Asst. 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 a Vice-President and an Asst. 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 New York, State of New York, this the day and year in this my certificate first above written.

My commission as such Notary Public expires March 30 1948

Mary E. Armstrong
Notary Public in and for the State of New York, County of New York.

MARY E. ARMSTRONG
NOTARY PUBLIC, State of New York
N. Y. Co. Clk's No. 130, Reg. No. 81A8
Commission Expires March 30, 1948

State of New York, County of New York, } ss.:

No. 75430 Form 1

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY, That

Mary E. Armstrong

whose name is subscribed to the annexed instrument, was, at the time of signing the instrument, a NOTARY PUBLIC, duly commissioned and sworn, and qualified to act as such in New York County, and authorized by the laws of the State of New York to protest notes, to take and certify depositions, to administer oaths and affirmations, and to certify the acknowledgment or 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 the said Notary Public, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the annexed instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 10 day of Sept, 1946

Archibald R Watson
County Clerk and Clerk of the Supreme Court, New York County

FEE PAID 25¢

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

I, John Edgar, 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 13th day of September, 1946, 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. L. Buchanan and F. E. Drucks to me personally known and known to me to be, respectively, a Vice-President and Assistant Cashier of The First National Bank of Chicago, the 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are hereunto subscribed as such, and said F. L. Buchanan and F. E. Drucks 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. L. Buchanan resides in Chicago in the State of Ill, and that said F. E. Drucks resides in Evanston in the State of Ill; that said F. L. Buchanan is Vice-President and said F. E. Drucks

is Assistant Cashier of The First National Bank of Chicago, the national banking association described in and which executed the within and foregoing instrument in writing; that they, said F. L. Buchanan, Vice-President, and F. E. Drucks, Assistant Cashier, 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 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 Cashier in behalf of said national banking association 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 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 27 1950

John Edgar
Notary Public in and for the State of Illinois, County of Cook.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 16th day of September A. D. 1946 at 11:20 o'clock A.M. and recorded in Vol. 38 of Railroad Mortgages on page 419, et seq.

Fred C. Zimmerman
Assistant Secretary of State.

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COUNTERPART
No. 4 OF 10

CONDITIONAL SALE AGREEMENT NO. 1

BETWEEN

GENERAL MOTORS CORPORATION

(ELECTRO-MOTIVE DIVISION)

AND

GREAT NORTHERN RAILWAY COMPANY

DATED AS OF NOVEMBER 16, 1946

THIS AGREEMENT, to be known as "Conditional Sale Agreement No. 1," made as of the 16th day of November, 1946, by and between GENERAL MOTORS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware (Electro-Motive Division), hereinafter sometimes called "Vendor" and sometimes called "General Motors", party of the first part, and GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota, hereinafter called "Vendee," party of the second part,

WITNESSETH:

That in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. General Motors will construct, sell and deliver seven (7) Diesel locomotives as hereinafter described and collectively sometimes called "equipment," and Vendee will accept and purchase said equipment on completion thereof, subject to the terms and conditions of this agreement. General Motors will deliver said equipment 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 General Motors in accordance with the provisions hereof. Said equipment shall be delivered, from time to time as completed, to Vendee f. o. b. the tracks of the Vendee at Fridley, Minnesota, freight charges prepaid, but Vendee shall assume all risk of loss or damage incident to transportation of the equipment from General Motors' plant at McCook, Illinois, to said point of delivery. General Motors estimates that all of the said

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equipment will be completed and shipped for delivery to Vendee during November and December, 1946.

Said equipment shall be constructed in acordance with specifications prepared by General Motors and modifications thereof made from time to time at the request of the Vendee. A description and number of units of said equipment and the estimated price per unit are as follows:

Number of Units	*Description*	*Vendee's Serial Numbers*
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by General Motors' Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	186 to 190 both inclusive
2	1500-Horsepower Diesel Branch Line Locomotives, as described in and warranted by General Motors' Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price per unit of $150,000.00	225 and 226

The total estimated price of all units of equipment covered by this agreement is the sum of $836,500.00.

General Motors will give the Vendee full opportunity to inspect said equipment during the construction thereof at its plant. On completion of each unit of said equipment the Vendee will arrange for final inspection thereof and will have its inspector execute in quadruplicate the usual form of certificate of inspection covering all units of equipment found to be completed in accordance with the plans and specifications. Each such certificate with respect to the units

of equipment covered thereby shall be final and conclusive evidence that such units conform in workmanship, material and construction, and in all other respects, to the requirements and provisions of this agreement. The Vendee will arrange also for execution of certificates of acceptance of said equipment by a duly authorized agent upon arrival thereof at the designated place of delivery.

2. The Vendee will pay the Vendor for said equipment, completed and delivered as aforesaid, at the office of the Vendor's treasurer at Chicago, Illinois, or at any bank or trust company, either in the cities of Chicago or New York or elsewhere, which the Vendor in writing may direct, in the following manner:

(a) Upon delivery and acceptance of each unit of equipment the Vendee will pay the Vendor an amount equal to the excess of the estimated price thereof, as set forth in Section 1 hereof, over the amount shown below for each such unit:

1000-Horsepower Diesel Road Switching Locomotives, each	$ 75,200.00
1500-Horsepower Diesel Branch Line Locomotives, each	100,000.00

(b) Upon completion of delivery of all of said equipment, the Vendee will pay the Vendor an amount equal to the excess of the purchase price of all of said equipment as finally determined, over the sum of $836,500.00; General Motors to refund to the Vendee any excess of said sum of $836,500.00 over the aggregate purchase price of all of said equipment as finally determined.

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(c) The Vendee will pay the Vendor the remaining $576,000.00 of the total estimated price in sixty (60) equal monthly installments of $9,600.00 each, except as may otherwise be provided herein, on the 16th day of each month commencing December, 1949, excepting only that the final monthly payment of principal shall be such as to extinguish the debt then remaining after application of all previous payments credited thereto, together with interest then accrued and unpaid from the 16th day of the previous calendar month on the diminishing unpaid balances of said sum of $576,000.00, at the annual rate to be determined as provided in Section 3 hereof, until said sum of $576,000.00, together with such interest, shall have been paid in full; the interest accruing from the 16th day of November, 1946, to the 16th day of November, 1949, to be paid at three-month intervals.

The term "interest" as used in this agreement means simple interest as distinguished from compound interest.

The Vendee shall have the right, on any monthly installment payment date, to make (a) payment of the entire balance of the purchase price of the equipment then unpaid hereunder, with interest accrued to such date of payment, or (b) partial payment of such unpaid purchase price in the amount of $10,000, or any multiple thereof, and such partial payment, with suitable allowance for interest, will be credited by the Vendor toward payment in inverse order of latest installment payment or payments to be made by the Vendee hereunder.

All payments by the Vendee hereunder shall be free of expense to the 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 equipment, or upon the selling, shipment, delivery, or use thereof, and the Vendee hereby specifically agrees to pay to the Vendor, in addition to the above mentioned purchase price of the equipment, 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 the Vendee of said equipment, or any thereof, and which the 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 agreement shall be made by the Vendee to the 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.

3. With reasonable promptness after the execution of this agreement, the Vendee will procure a purchaser of the interest of the Vendor in this agreement and of the equipment described herein in accordance with the terms of an assignment in the form marked "Exhibit 1" attached hereto, and hereby made a part hereof. Upon the request of such purchaser the Vendor will forthwith execute said assignment which shall appropriately describe the purchaser and shall have inserted therein the annual rate of interest, agreed upon between the purchaser and the Vendee, which the unpaid balance of the purchase price under paragraph (c) of Section 2 hereof shall bear.

All or any of the rights of such purchaser under this agreement, including the right to receive the payments herein provided to be made by the Vendee under paragraph (c) of Section 2, may be assigned by the purchaser and reas-

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signed by any Assignee at any time and from time to time. Neither the original nor any subsequent assignment shall subject any Assignee to or relieve General Motors from any of the obligations of General Motors as to the construction or delivery of the equipment or as to any warranty or indemnity with respect thereto contained in Sections 1 and 4 hereof, or relieve the Vendee from its obligation to General Motors under Section 4 and the last paragraph of Section 2 hereof, except that the Assignee shall be obligated to execute necessary and proper instruments of transfer as and when the Vendee shall be entitled thereto pursuant to the provisions of Section 6 hereof.

In the 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 equipment described herein 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.

Upon assignment of this agreement 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 that 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 General Motors in respect

of the manufacture or delivery of the equipment described herein or in respect of any warranty or indemnity in Sections 1 and 4 hereof, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by General Motors. Any and all such obligations howsoever arising, shall be and remain enforceable by the Vendee against and only against General Motors and shall not be enforceable against any party or parties in whom title to the equipment or any thereof, 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 agreement means, before any assignment of the rights of the Vendor hereunder as hereinbefore provided in this Section 3, General Motors Corporation, and after 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 "General Motors" whenever used in this agreement 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.

4. General Motors agrees to indemnify and save the 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

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by the Vendee and that are not manufactured by General Motors, that may be a part of the equipment when delivered, and the Vendee agrees to indemnify and save General Motors 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 the Vendee and not manufactured by General Motors that may be used as a part of the equipment.

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 equipment, and the party responsible for such infringement as above provided, shall promptly undertake and assume the defense thereof.

5. The Vendee shall pay promptly all taxes, assessments and governmental charges which from time to time may be imposed upon the equipment described herein, or the earnings arising therefrom, or the operation thereof, or upon the Vendor by reason of its ownership thereof, by any government of any country, state or political subdivision thereof, in which said equipment may be located, or which shall have jurisdiction over said equipment or any part thereof, and the Vendee agrees at all times to keep said equipment free and clear of all tax liens and incumbrances; provided, however, that the Vendee shall not be required to pay any tax, assessment or other Governmental charge, the validity of which the Vendee shall contest in good faith and by appropriate legal proceedings until such contest shall have been decided, unless in the judgment of the Vendor its rights and interests in said equipment may be materially endangered by such delay.

The Vendee shall comply in all respects with all laws of the United States and of the states, and countries in or through which the said equipment may be operated, covering the use, operation or maintenance of said equipment, and with the lawful rules with respect to said equipment, of the Interstate Commerce Commission, and of every other legislative, administrative or judicial body exercising any power or jurisdiction over said equipment; and in the event that the said laws or rules require any alterations of any of said equipment, or any additional equipment or appliances thereon, the Vendee shall conform therewith at its own expense and shall maintain said equipment in proper condition for operation under such laws and rules during the life of this agreement.

6. The Vendor shall retain full legal title to and property in all said equipment until the Vendee shall have made all the payments and shall have performed all of the covenants in this agreement provided to be made, kept or performed by the Vendee, notwithstanding the delivery of said equipment to and the possession and use thereof by the Vendee as herein provided. Any and all replacements of parts of said equipment or additional equipment or facilities installed thereon or therein shall constitute accessions to said equipment, the title to which shall be immediately vested in the Vendor, and which shall be subject to all the terms, reservations and conditions of this agreement. When the Vendee shall have paid in full the entire purchase price for all of said equipment, with interest thereon, and all other payments herein provided to be made by the Vendee with respect thereto, title to and property in all said equipment

shall pass to the Vendee without further transfer or act on the part of the Vendor, but the Vendor will, if requested by the Vendee so to do, execute and deliver to the Vendee a bill of sale covering said equipment when the full purchase price with interest and other payments as aforesaid have been fully paid.

7. The Vendee at its own cost shall keep all said equipment in good order and proper running repair and in case of damage thereto by fire, accident or otherwise will promptly repair the equipment so damaged and restore it to good running order. In case any equipment shall be damaged beyond repair or lost or destroyed, the Vendee shall promptly pay the Vendor an amount equal to the full unpaid balance of the purchase price of such equipment so damaged, lost or destroyed (any payment already received by the Vendor from another Railroad Company, or other third party, as compensation for such damage, loss or destruction to be first credited toward payment of such balance) and such amount will be credited by the Vendor toward payment in inverse order of the latest installment payment or payments to be made by the Vendee hereunder. Within twenty (20) days after receiving advice of damage to or loss or destruction of any of said equipment, the Vendee will give the Vendor written notice thereof with full particulars of the extent of the damage, loss or destruction incurred. Any failure on the part of the Vendee to repair or replace any such equipment with reasonable promptness or to pay for such equipment which may be so lost or destroyed, shall entitle the Vendor to declare a default hereunder and to take such action as is authorized to be taken by the Vendor in case of a default by

the Vendee in making payment for said equipment as herein provided.

The Vendee at its own expense shall keep the equipment covered by this agreement insured under its blanket insurance policy, against damage or destruction by fire while on its own line, in the same manner and extent as other of its equipment, at all times while this agreement shall be in force. The Vendee shall furnish evidence of such insurance satisfactory to the Vendor. In case the Vendee shall fail to keep said equipment so insured or furnish evidence of such insurance satisfactory to the Vendor, the Vendor may insure said equipment and in this event Vendee shall be obligated to repay Vendor the amount of premiums paid therefor with interest thereon at the legal rate from time of such payment until repaid.

The proceeds of any such insurance shall be payable to the Vendor, but shall be paid over to the Vendee when such loss or damage to said equipment shall have been restored at the expense of the Vendee as hereinbefore provided. Nothing herein stated shall release the Vendee from its obligations hereunder in case of any damage, loss, or destruction of said property.

The Vendee will permit inspection of said equipment from time to time by agents of the Vendor and upon request of the Vendor will furnish from time to time a statement showing the location (as nearly as may be) and condition of said equipment.

8. Before delivery of said equipment to the Vendee, the Vendor will fasten upon each side of each unit thereof, a metal plate bearing the following words, or will mark upon

each side of each such unit the following words, in letters not less than one inch in height: "General Motors Corporation (Electro-Motive Division), Owner." Such plates or markings will be so located as to be readily visible and to indicate plainly the Vendor's ownership of said equipment. In case, during the continuance of this agreement, such plates or markings shall at any time be removed, defaced or destroyed, the Vendee shall immediately at its own cost, cause the same to be restored or replaced; and if by reason of change of law or otherwise, additional or other plates or markings shall be required to protect the interests of the Vendor, the Vendee shall provide and install and thereafter maintain the same on all of such equipment.

Said equipment may be lettered "Great Northern", "G. N.", or in some other apropriate manner, as the Vendee may desire, and the units thereof may be numbered for convenience in identification; but the Vendee, during the continuance of this agreement, will not allow the name of any corporation or other party to be placed on any of said equipment, 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 the Vendor or its assignee. The Vendee shall not, without the Vendor's written consent, alter or obliterate the lettering or numbering (as hereinabove specified) of said equipment or any thereof. Any change in the lettering or numbering of any of said equipment requested by the Vendee and assented to by the Vendor shall be evidenced by agreement in form satisfactory to the Vendor executed in one or more counterparts as it may request and filed and/or recorded in such office or offices as the Vendor shall direct.

All the provisions of this agreement shall apply with respect to equipment substituted for such of the equipment originally delivered as shall become damaged, lost or destroyed with precisely the same force and effect as if such substituted equipment was part of the equipment originally delivered; and the word "equipment" as used herein shall mean as well the substituted as the original equipment.

In the event of a transfer or assignment, or successive transfers or assignments by the Vendor or its assignees of title to said equipment and of the Vendor's rights hereunder in respect thereof, whenever requested by any such transferee or assignee, the Vendee shall change the name plates on all said equipment to indicate the title of such transferee or assignee to such equipment and its succession to the rights of the Vendor hereunder, but the expense of making such change in plates shall be borne by the party or parties requesting such change, except that the expense of such change in connection with the assignment contemplated in the first paragraph of Section 3 hereof shall be paid by the Vendee.

9. The 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 equipment from any cause whatsoever after delivery thereof to the Vendee. The Vendee further agrees to save, indemnify and keep harmless the 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 equipment while this agreement is in force.

10 (a) In case the Vendee shall make default in the payment of any installment of the purchase price of said equipment, as herein provided, and shall remain in default for more than thirty (30) days after such payment shall have become due, or shall be in default under the provisions of Sections 11 and 12 hereof; or shall fail or refuse to comply with any other of the terms and covenants in this agreement on its part to be kept and performed, or to make provisions satisfactory to Vendor for such compliance, and any such failure or refusal, other than a default under Section 11 hereof, or a default in the payment of a monthly installment hereunder, shall continue for more than thirty (30) days after notice in writing thereof to the Vendee, then, in any such case (herein sometimes called events of default) and at any time thereafter during the continuance of such default the Vendor, without further notice or demand except to the extent necessary in order to comply with any legal requirements then in force and applicable to such action by the Vendor, may declare the entire unpaid balance of the purchase price of the equipment immediately due and payable, without further demand, together with interest thereon at the annual rate referred to in Section 3 to such date of default; and thereafter interest shall be payable by the Vendee upon any portion thereof overdue during such time as it shall remain overdue at the rate of five per cent (5%) per annum. The Vendor shall thereupon be entitled to recover judgment for the entire amount so payable by the Vendee with interest thereon at said rate, and to collect such judgment out of any property of the Vendee wherever situated. The Vendor may at its election (and if before sale of said equipment as in paragraph (c) hereof provided, the

Vendee shall have paid to the Vendor all costs and expenses of the Vendor incidental to any such default, and all sums which shall then have become due and payable by the Vendee hereunder, other than that part of said purchase price as shall have become due solely because of the declaration of the Vendor under this paragraph, and shall have remedied all other existing events of default or made provision therefor satisfactory to the Vendor, the Vendor shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by giving notice to the Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had occurred or existed and no such declaration nor termination had been made; but no such waiver, rescission or annulment shall limit or affect the Vendor's right, upon any subsequent default, to declare the unpaid balance of said purchase price due in the manner provided in this paragraph, or extend or affect any other default, or impair any rights or remedies consequent upon any other such default.

(b) If the Vendee shall make default as hereinabove provided, then at any time thereafter during the continuance of such default, the Vendor without further notice or demand except to the extent necessary in order to comply with any such legal requirements, may take or cause to be taken by its agent or agents immediate possession of said equipment, or any thereof, and all present and future equipment, attachments and accessories thereof, without liability to return to the Vendee any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 10

expressly provided, and may remove the same from the use and possession of the Vendee and for such purpose may enter upon the Vendee's premises where any of said equipment may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of the Vendee, without process of law; and the Vendee shall assemble and deliver said equipment, with all replacements, improvements, equipment, attachments and accessories thereof, at its own cost at such place or places on its railroad as the Vendor may reasonably designate, and in case of such retaking or delivery the Vendor shall have the right to store the same upon the premises of the Vendee without charge until the Vendor shall be able within a reasonable time to remove the same therefrom. The assembling and delivery of said equipment as hereinbefore provided is of the essence of this agreement between the parties and upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Vendee requiring specific performance hereof.

(c) If the Vendee shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Vendor with or without retaking possession thereof may sell said equipment or any thereof, and all replacements thereof, and all improvements, equipment, attachments and accessories placed thereon, free from any and all claims of the Vendee, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine, all

subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at such location and at such time or times as the Vendor may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine in compliance with any such legal requirements, provided that written notice of such sale shall be given to the Vendee at least ten (10) days prior thereto, by telegram or registered mail addressed to the Vendee at its office in St. Paul, Minnesota, or such other notice, if any, as may be necessary to comply with any such legal requirements. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Vendee to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Vendor may itself bid for and become the purchaser of said equipment, or any thereof so offered for sale without accountability to the Vendee (except to the extent of surplus money received as hereinafter provided in paragraph (e) of this Section 10) and in payment of such purchase price the Vendor shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Vendor from the Vendee hereunder.

(d) Each and every power or remedy hereby specifically given to the Vendor shall be in addition to every other power

or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy, or shall be construed to be a waiver of any default, or an acquiescence therein.

(e) If the Vendor shall exercise any of the powers or remedies conferred upon it hereunder, the Vendee shall have the right after all sums due hereunder to the Vendor shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to any of said equipment, if not previously sold or otherwise disposed of by the Vendor pursuant to the provisions hereof, to be transferred and assigned by the Vendor to the Vendee free from any further liabilities or obligations to the Vendor. If after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due it under the provisions of this agreement, the Vendee shall pay the amount of such deficit to the Vendor. If after applying as aforesaid all sums realized by the Vendor there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee.

11. The filing by the Vendee or by creditors of the Vendee of any petition for reorganization or debt adjustment affecting the obligations of the Vendee under this agreement, under Section 77 of the Bankruptcy Act, or under any amendment or revision thereof, or under any other provision of the Bankruptcy Act as now or hereafter existing, or any voluntary assignment or transfer of the Vendee's interest in and under this agreement or any involuntary transfer of such interest by bankruptcy, or by the appointment of a receiver or trustee, or by execution or by any judicial or administrative decree or process, or otherwise (unless such petition shall be dismissed or such assignment, transfer, decree or process shall within thirty (30) days from the filing or other effective date thereof, be nullified, stayed or otherwise rendered ineffective, or unless any such receiver(s) or trustee(s) shall within thirty (30) days from the date of his or their appointment adopt this agreement pursuant to due authority of the court of his or their appointment) shall be deemed a breach of this agreement and a default hereunder; whereupon the Vendor may elect to declare the entire unpaid balance of the purchase price immediately due and payable as hereinbefore provided and may thereupon forthwith retake possession of said equipment or any thereof and exercise and enforce any and all other remedies as provided by Section 10 hereof.

12. The Vendee shall not assign nor transfer this agreement or any of its rights hereunder, nor transfer nor sublet the said equipment or any thereof without the Vendor's written consent first had and obtained, and shall not cause nor permit any of said equipment to be pledged or held for any debt or obligation owing by the Vendee or to be in any man-

ner encumbered, and shall not suffer the said equipment or any thereof to pass out of the Vendee's control except in the ordinary course of interchange of equipment with connecting railway carriers.

13. Wherever provision is made in this agreement for any notice or demand to or upon the Vendee, or if at any time, the Vendor shall desire to give notice to or make any demand upon the 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 the 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.

14. If any provision of this agreement is prohibited by any applicable law of any state or country, or by any applicable law of any state or country this agreement is converted into any instrument other than an agreement of conditional sale, the remaining provisions of this agreement shall remain in full force and effect in such state or country and this agreement shall remain in full force and effect as an agreement of conditional sale in all other states and countries in which it is filed of record as herein provided.

Where, however, the conflicting provisions of any applicable law of any state or country may be waived, they are hereby waived by the Vendee to the full extent permitted by law.

15. Any extension of time granted by the Vendor to the Vendee for the payment of any sum due under this agreement, shall not be deemed a waiver of the title of the Vendor reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

16. The Vendee shall cause this agreement to be filed, registered, deposited and recorded to the satisfaction of counsel for the Vendor, wherever required for the proper protection of the Vendor's title to said equipment and any replacement or replacements thereof, and of its rights under this agreement; and the 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 the Vendor for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this agreement. The Vendee shall pay also all cost, charges and expenses, except the counsel fees of the Vendor, incident to the printing, filing, registering and recording of this agreement and of any instrument supplemental hereto or amendatory hereof and of the assignment contemplated in the first paragraph of Section 3 hereof, but not of subsequent assignments.

17. This agreement 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.

18. No variation or modification of this agreement and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Vendee and the Vendor.

19. So long as the Vendee shall not be in default under this agreement it shall be entitled to the possession of said equipment 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 in the usual interchange of equipment, but subject at all times to all terms and conditions of this agreement.

20. The terms of this agreement and all the rights and obligations hereunder shall be governed by the laws of the State in which the equipment described herein is constructed.

IN WITNESS WHEREOF, the Vendor and the 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 here-

unto affixed, duly attested, as of the day and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By ..... Vice President.

Attest:

..... Asst. Secretary.

Signed, sealed and delivered in the presence of:

.....

.....

GREAT NORTHERN RAILWAY COMPANY

By ..... Vice President.

Attest:

..... Secretary.

Signed, sealed and delivered in the presence of:

.....

.....

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

I, James Sorna, 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 4th day of November ...., A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division) to the within and foregoing instrument, C. R. Osborn and A. D. Pedlar, each to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division) 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said C. R. Osborn 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 the said C. R. Osborn resides in Village of Hinsdale, State of Illinois, and that the said A. D. Pedlar resides in Village of Western Springs, State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and

which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

James Sorna
Notary Public

My Commission Expires
January 12, 1950

STATE OF MINNESOTA, } ss.
COUNTY OF RAMSEY. }

I, Howard V. Peddicord, 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 4th day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, Edwin C. Matthias and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 Edwin C. Matthias and F. L. Paetzold, 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 Edwin C. Matthias resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St Paul, State of Minnesota; that said Edwin C Matthias is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writ-

ing; that they, the said Vice President and 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 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, subscribe 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.

Howard V. Peddicord
Notary Public, Ramsey County, Minn.
My Commission Expires Sept. 30, 1951.

EXHIBIT 1

ASSIGNMENT

OF

CONDITIONAL SALE AGREEMENT NO. 1

BETWEEN

GENERAL MOTORS CORPORATION

(ELECTRO-MOTIVE DIVISION)

AND

GREAT NORTHERN RAILWAY COMPANY

TO

.....

EXHIBIT 1

AGREEMENT, dated as of November ...., 1946, between GENERAL MOTORS CORPORATION, a corporation of the State of Delaware (Electro-Motive Division), hereinafter referred to as the "Manufacturer", party of the first part, and ....., a ....., with its principal place of business at ....., hereinafter referred to as the "Bank", party of the second part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", as party of the third part;

WHEREAS, the Manufacturer and the Railroad have entered into a "Conditional Sale Agreement No. 1", hereinafter called the "Agreement", dated as of November 16, 1946, covering the construction, sale and delivery of seven (7) Diesel locomotives, hereinafter sometimes referred to as "equipment", a description and number of units of said equipment and the estimated price per unit being as follows:

Number of Units	*Description*	*Railroad's Serial Numbers*
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by Manufacturer's Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	186 to 190, both inclusive
2	1500-Horsepower Diesel Branch Line Locomotives, as described in and warranted by Manufacturer's Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price per unit of $150,000.00	225 and 226

WHEREAS, after the payments to be made by the Railroad to the Manufacturer under paragraphs (a) and (b) of Section 2 of said Agreement have been made, there will be a balance of $576,000.00 payable by the Railroad to the Manufacturer on account of the purchase price of said equipment under paragraph (c) of said Section 2 of said Agreement;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Dollar ($1.00) in hand paid by the Bank to the Manufacturer, at or before the execution and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment from and after the delivery to, and acceptance thereof by, the Railroad, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by Section 3 of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Vendor) thereunder as therein defined, without any recourse, however, against the Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the said Agreement; *provided, however,* that this assignment shall not pass to the Bank the right to receive any

of the payments to be made by the Railroad under paragraphs (a) and (b) of Section 2 of said Agreement; *and provided, further* that this assignment shall not subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or as to any warranty or indemnity with respect thereto, contained in Sections 1 and 4 of said Agreement, it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforceable by the Railroad, its 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 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 and receive, in its own name, but at the expense and liability and for the sole benefit of the Bank, all sums payable, and likewise to enforce any and all action to be taken by the Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto, and that it has secured and is prepared to exhibit a statement of counsel of the Railroad that said Agreement and this Assignment have been or will be filed, registered, deposited and recorded in accordance with the provisions of Section 16 of said Agreement.

2. In consideration of the aforementioned assignment, and the agreement of the Railroad set out in Section 3 hereof, the Bank agrees to pay to the Manufacturer promptly upon receipt from the Manufacturer of an executed counterpart of the acceptance by the Railroad of the delivery of each unit of equipment under the terms of said Agreement, the amount shown below for each such unit:

Description	*Amount payable per unit*
1000-Horsepower Diesel Road Switching Locomotives, each	$ 75,200.00
1500-Horsepower Diesel Branch Line Locomotives, each	100,000.00

The amounts to be so paid by the Bank to the Manufacturer will aggregate $576,000.00.

3. The Railroad agrees to pay interest, at the rate of .... per cent (....%) per annum, at the times and under the conditions provided in paragraph (c) of Section 2 of said Agreement from the 16th day of November, 1946. The term "interest" as used in this assignment means simple interest as distinguished from compound interest.

If as a result of any proceedings by or against the Manufacturer under the Bankruptcy Act, as now or hereafter existing, or as a result of the appointment of a receiver for the Manufacturer, or for any other reason, delivery of any of the equipment described in the Agreement is not made, then and in that event all sums theretofore paid by the Railroad to the Bank, over and above the purchase price of the units of equipment upon which delivery has been completed, shall be refunded to the Railroad by the Bank.

4. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this assignment; that the same is 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 delivery of the said equipment by the Manufacturer; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

5. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any instalment of the purchase price, or any part thereof, or to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement, or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

6. As further assurance, the Manufacturer agrees that it will execute, acknowledge and deliver any and all further instruments, including any further assignments, required by law or reasonably requested by the Bank, for the purpose of preservation of the rights, title, interests and benefits of the Bank hereunder, including the rights hereby assigned to receive payments under said Agreement, or for the purpose of carrying out the intention of this Agreement.

7. All rights and obligations hereunder shall be governed by the laws of .....

8. This Assignment 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. The Bank agrees to deliver one of such counterparts or a certified copy thereof to the Railroad.

In Witness Whereof, The parties hereto, pursuant to due corporate authority, have caused this Assignment to be executed in their 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 and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By .....
Vice President.

ATTEST:

.....
Secretary.

Signed, sealed and delivered as to
General Motors Corporation (Electro-Motive
Division) in the presence of:

.....

.....
Witnesses.

.....

By .....

.....President.

ATTEST:

.....

Signed, sealed and delivered as to

.....

in the presence of:

.....

.....

Witnesses.

GREAT NORTHERN RAILWAY COMPANY

By .....

Vice President.

ATTEST:

.....

Secretary.

Signed, sealed and delivered as to
Great Northern Railway Company
in the presence of:

.....

.....

Witnesses.

NOTE: Acknowledgments will be added.

State of Wisconsin } ss.
DEPARTMENT OF STATE }
Received this 15 TH day of
November A. D. 1946 at 10:00
o'clock A.M. and recorded in Vol.
38 of Railroad Mortgages
on pages 439-457 incl.
Assistant Secretary of State

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COUNTERPART
No. 4 OF 10

CONDITIONAL SALE AGREEMENT NO. 2

BETWEEN

GENERAL MOTORS CORPORATION

(ELECTRO-MOTIVE DIVISION)

AND

GREAT NORTHERN RAILWAY COMPANY

DATED AS OF NOVEMBER 16, 1946

THIS AGREEMENT, to be known as "Conditional Sale Agreement No. 2," made as of the 16th day of November, 1946, by and between GENERAL MOTORS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware (Electro-Motive Division), hereinafter sometimes called "Vendor", and sometimes called "General Motors", party of the first part, and GREAT NORTHERN RAILWAY COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Minnesota, hereinafter called "Vendee," party of the second part,

WITNESSETH:

That in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. General Motors will construct, sell and deliver six (6) Diesel locomotives as hereinafter described and collectively sometimes called "equipment," and Vendee will accept and purchase said equipment on completion thereof, subject to the terms and conditions of this agreement. General Motors will deliver said equipment 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 General Motors in accordance with the provisions hereof. Said equipment shall be delivered, from time to time as completed, to Vendee f. o. b. the tracks of the Vendee at Fridley, Minnesota, freight charges prepaid, but Vendee shall assume all risk of loss or damage incident to transportation of the equipment from General Motors' plant at McCook, Illinois, to said point of delivery. General Motors estimates that all of the said equipment will be completed and shipped for delivery to Vendee during November and December, 1946.

(Fee $10.75)

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Said equipment shall be constructed in accordance with specifications prepared by General Motors and modifications thereof made from time to time at the request of the Vendee. A description and number of units of said equipment and the estimated price per unit are as follows:

Number of Units	*Description*	*Vendee's Serial Numbers*
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by General Motors' Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	191 to 195 both inclusive
1	1500-Horsepower Diesel Branch Line Locomotive, as described in and warranted by General Motors' Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price of $150,000.00	227

The total estimated price of all units of equipment covered by this agreement is the sum of $686,500.00.

General Motors will give the Vendee full opportunity to inspect said equipment during the construction thereof at its plant. On completion of each unit of said equipment the Vendee will arrange for final inspection thereof and will have its inspector execute in quadruplicate the usual form of certificate of inspection covering all units of equipment found to be completed in accordance with the plans and specifications. Each such certificate with respect to the units of equipment covered thereby shall be final and conclusive evidence that such units conform in workmanship, material and construction, and in all other respects, to the requirements and provisions of this agreement. The Vendee will arrange also for execution of certificates of acceptance of said equipment by a duly authorized agent upon arrival thereof at the designated place of delivery.

2. The Vendee will pay the Vendor for said equipment, completed and delivered as aforesaid, at the office of the Vendor's treasurer at Chicago, Illinois, or at any bank or trust company, either in the cities of Chicago or New York or elsewhere, which the Vendor in writing may direct, in the following manner:

(a) Upon delivery and acceptance of each unit of equipment the Vendee will pay the Vendor an amount equal to the excess of the estimated price thereof, as set forth in Section 1 hereof, over the amount shown below for each such unit:

1000-Horsepower Diesel Road Switching Locomotives, each	$ 75,200.00
1500-Horsepower Diesel Branch Line Locomotive	100,000.00

(b) Upon completion of delivery of all of said equipment, the Vendee will pay the Vendor an amount equal to the excess of the purchase price of all of said equipment as finally determined, over the sum of $686,500.00; General Motors to refund to the Vendee any excess of said sum of $686,500.00 over the aggregate purchase price of all of said equipment as finally determined.

(c) The Vendee will pay the Vendor the remaining $476,000.00 of the total estimated price in sixty (60) equal monthly installments of $7,933.34 each, except as may otherwise be provided herein, on the 16th day of each month commencing December, 1949, excepting only that the final monthly payment of principal shall be such as to extinguish the debt than remaining after application of all previous payments credited thereto, together with interest then accrued and unpaid from the 16th day of the previous calendar month on the diminishing unpaid balances of said sum of $476,000.00, at the annual rate to be determined as provided in Section 3 hereof, until said sum of $476,000.00, together with such interest, shall have been paid in full; the interest accruing from the 16th day of November, 1946, to the 16th day of November, 1949, to be paid at three-month intervals.

The term "interest" as used in this agreement means simple interest as distinguished from compound interest.

The Vendee shall have the right, on any monthly installment payment date, to make (a) payment of the entire balance of the purchase price of the equipment then unpaid hereunder, with interest accrued to such date of payment, or (b) partial payment of such unpaid purchase price in the amount of $10,000, or any multiple thereof, and such partial payment, with suitable allowance for interest, will be credited by the Vendor toward payment in inverse order of latest installment payment or payments to be made by the Vendee hereunder.

All payments by the Vendee hereunder shall be free of expense to the 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 equipment, or upon the selling, shipment, delivery, or use thereof, and the Vendee hereby specifically agrees to pay to the Vendor, in addition to the above mentioned purchase price of the equipment, 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 the Vendee of said equipment, or any thereof, and which the 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 agreement shall be made by the Vendee to the 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.

3. With reasonable promptness after the execution of this agreement, the Vendee will procure a purchaser of the interest of the Vendor in this agreement and of the equipment described herein in accordance with the terms of an assignment in the form marked "Exhibit 1" attached hereto, and hereby made a part hereof. Upon the request of such purchaser the Vendor will forthwith execute said assignment which shall appropriately describe the purchaser and shall have inserted therein the annual rate of interest, agreed upon between the purchaser and the Vendee, which the unpaid balance of the purchase price under paragraph (c) of Section 2 hereof shall bear.

All or any of the rights of such purchaser under this agreement, including the right to receive the payments herein provided to be made by the Vendee under paragraph (c) of Section 2, may be assigned by the purchaser and reas-

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signed by any Assignee at any time and from time to time. Neither the original nor any subsequent assignment shall subject any Assignee to or relieve General Motors from any of the obligations of General Motors as to the construction or delivery of the equipment or as to any warranty or indemnity with respect thereto contained in Sections 1 and 4 hereof, or relieve the Vendee from its obligation to General Motors under Section 4 and the last paragraph of Section 2 hereof, except that the Assignee shall be obligated to execute necessary and proper instruments of transfer as and when the Vendee shall be entitled thereto pursuant to the provisions of Section 6 hereof.

In the 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 equipment described herein 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.

Upon assignment of this agreement 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 that 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 General Motors in respect

of the manufacture or delivery of the equipment described herein or in respect of any warranty or indemnity in Sections 1 and 4 hereof, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by General Motors. Any and all such obligations howsoever arising, shall be and remain enforceable by the Vendee against and only against General Motors and shall not be enforceable against any party or parties in whom title to the equipment or any thereof, 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 agreement means, before any assignment of the rights of the Vendor hereunder as hereinbefore provided in this Section 3, General Motors Corporation, and after 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 "General Motors" whenever used in this agreement 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.

4. General Motors agrees to indemnify and save the 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 the Vendee and that are not manufactured by General Motors, that may be a part of the equipment when delivered, and the Vendee agrees to indemnify and save General Motors 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 the Vendee and not manufactured by General Motors that may be used as a part of the equipment.

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 equipment, and the party responsible for such infringement as above provided, shall promptly undertake and assume the defense thereof.

5. The Vendee shall pay promptly all taxes, assessments and governmental charges which from time to time may be imposed upon the equipment described herein, or the earnings arising therefrom, or the operation thereof, or upon the Vendor by reason of its ownership thereof, by any government of any country, state or political subdivision thereof, in which said equipment may be located, or which shall have jurisdiction over said equipment or any part thereof, and the Vendee agrees at all times to keep said equipment free and clear of all tax liens and incumbrances; provided, however, that the Vendee shall not be required to pay any tax, assessment or other Governmental charge, the validity of which the Vendee shall contest in good faith and by appropriate legal proceedings until such contest shall have been decided, unless in the judgment of the Vendor its rights and interests in said equipment may be materially endangered by such delay.

The Vendee shall comply in all respects with all laws of the United States and of the states, and countries in or through which the said equipment may be operated, covering the use, operation or maintenance of said equipment, and with the lawful rules with respect to said equipment, of the Interstate Commerce Commission, and of every other legislative, administrative or judicial body exercising any power or jurisdiction over said equipment; and in the event that the said laws or rules require any alterations of any of said equipment, or any additional equipment or appliances thereon, the Vendee shall conform therewith at its own expense and shall maintain said equipment in proper condition for operation under such laws and rules during the life of this agreement.

6. The Vendor shall retain full legal title to and property in all said equipment until the Vendee shall have made all the payments and shall have performed all of the covenants in this agreement provided to be made, kept or performed by the Vendee, notwithstanding the delivery of said equipment to and the possession and use thereof by the Vendee as herein provided. Any and all replacements of parts of said equipment or additional equipment or facilities installed thereon or therein shall constitute accessions to said equipment, the title to which shall be immediately vested in the Vendor, and which shall be subject to all the terms, reservations and conditions of this agreement. When the Vendee shall have paid in full the entire purchase price for all of said equipment, with interest thereon, and all other payments herein provided to be made by the Vendee with respect thereto, title to and property in all said equipment

shall pass to the Vendee without further transfer or act on the part of the Vendor, but the Vendor will, if requested by the Vendee so to do, execute and deliver to the Vendee a bill of sale covering said equipment when the full purchase price with interest and other payments as aforesaid have been fully paid.

7. The Vendee at its own cost shall keep all said equipment in good order and proper running repair and in case of damage thereto by fire, accident or otherwise will promptly repair the equipment so damaged and restore it to good running order. In case any equipment shall be damaged beyond repair or lost or destroyed, the Vendee shall promptly pay the Vendor an amount equal to the full unpaid balance of the purchase price of such equipment so damaged, lost or destroyed (any payment already received by the Vendor from another Railroad Company, or other third party, as compensation for such damage, loss or destruction to be first credited toward payment of such balance) and such amount will be credited by the Vendor toward payment in inverse order of the latest installment payment or payments to be made by the Vendee hereunder. Within twenty (20) days after receiving advice of damage to or loss or destruction of any of said equipment, the Vendee will give the Vendor written notice thereof with full particulars of the extent of the damage, loss or destruction incurred. Any failure on the part of the Vendee to repair or replace any such equipment with reasonable promptness or to pay for such equipment which may be so lost or destroyed, shall entitle the Vendor to declare a default hereunder and to take such action as is authorized to be taken by the Vendor in case of a default by

the Vendee in making payment for said equipment as herein provided.

The Vendee at its own expense shall keep the equipment covered by this agreement insured under its blanket insurance policy, against damage or destruction by fire while on its own line, in the same manner and extent as other of its equipment, at all times while this agreement shall be in force. The Vendee shall furnish evidence of such insurance satisfactory to the Vendor. In case the Vendee shall fail to keep said equipment so insured or furnish evidence of such insurance satisfactory to the Vendor, the Vendor may insure said equipment and in this event Vendee shall be obligated to repay Vendor the amount of premiums paid therefor with interest thereon at the legal rate from time of such payment until repaid.

The proceeds of any such insurance shall be payable to the Vendor, but shall be paid over to the Vendee when such loss or damage to said equipment shall have been restored at the expense of the Vendee as hereinbefore provided. Nothing herein stated shall release the Vendee from its obligations hereunder in case of any damage, loss, or destruction of said property.

The Vendee will permit inspection of said equipment from time to time by agents of the Vendor and upon request of the Vendor will furnish from time to time a statement showing the location (as nearly as may be) and condition of said equipment.

8. Before delivery of said equipment to the Vendee, the Vendor will fasten upon each side of each unit thereof, a metal plate bearing the following words, or will mark upon

each side of each such unit the following words, in letters not less than one inch in height: "General Motors Corporation (Electro-Motive Division), Owner." Such plates or markings will be so located as to be readily visible and to indicate plainly the Vendor's ownership of said equipment. In case, during the continuance of this agreement, such plates or markings shall at any time be removed, defaced or destroyed, the Vendee shall immediately at its own cost, cause the same to be restored or replaced; and if by reason of change of law or otherwise, additional or other plates or markings shall be required to protect the interests of the Vendor, the Vendee shall provide and install and thereafter maintain the same on all of such equipment.

Said equipment may be lettered "Great Northern", "G. N.", or in some other appropriate manner, as the Vendee may desire, and the units thereof may be numbered for convenience in identification; but the Vendee, during the continuance of this agreement, will not allow the name of any corporation or other party to be placed on any of said equipment, 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 the Vendor or its assignee. The Vendee shall not, without the Vendor's written consent, alter or obliterate the lettering or numbering (as hereinabove specified) of said equipment or any thereof. Any change in the lettering or numbering of any of said equipment requested by the Vendee and assented to by the Vendor shall be evidenced by agreement in form satisfactory to the Vendor executed in one or more counterparts as it may request and filed and/or recorded in such office or offices as the Vendor shall direct.

All the provisions of this agreement shall apply with respect to equipment substituted for such of the equipment originally delivered as shall become damaged, lost or destroyed with precisely the same force and effect as if such substituted equipment was part of the equipment originally delivered; and the word "equipment" as used herein shall mean as well the substituted as the original equipment.

In the event of a transfer or assignment, or successive transfers or assignments by the Vendor or its assignees of title to said equipment and of the Vendor's rights hereunder in respect thereof, whenever requested by any such transferee or assignee, the Vendee shall change the name plates on all said equipment to indicate the title of such transferee or assignee to such equipment and its succession to the rights of the Vendor hereunder, but the expense of making such change in plates shall be borne by the party or parties requesting such change, except that the expense of such change in connection with the assignment contemplated in the first paragraph of Section 3 hereof shall be paid by the Vendee.

9. The 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 equipment from any cause whatsoever after delivery thereof to the Vendee. The Vendee further agrees to save, indemnify and keep harmless the 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 equipment while this agreement is in force.

10 (a) In case the Vendee shall make default in the payment of any installment of the purchase price of said equipment, as herein provided, and shall remain in default for more than thirty (30) days after such payment shall have become due, or shall be in default under the provisions of Sections 11 and 12 hereof; or shall fail or refuse to comply with any other of the terms and covenants in this agreement on its part to be kept and performed, or to make provisions satisfactory to Vendor for such compliance, and any such failure or refusal, other than a default under Section 11 hereof, or a default in the payment of a monthly installment hereunder, shall continue for more than thirty (30) days after notice in writing thereof to the Vendee, then, in any such case (herein sometimes called events of default) and at any time thereafter during the continuance of such default the Vendor, without further notice or demand except to the extent necessary in order to comply with any legal requirements then in force and applicable to such action by the Vendor, may declare the entire unpaid balance of the purchase price of the equipment immediately due and payable, without further demand, together with interest thereon at the annual rate referred to in Section 3 to such date of default; and thereafter interest shall be payable by the Vendee upon any portion thereof overdue during such time as it shall remain overdue at the rate of five per cent (5%) per annum. The Vendor shall thereupon be entitled to recover judgment for the entire amount so payable by the Vendee with interest thereon at said rate, and to collect such judgment out of any property of the Vendee wherever situated. The Vendor may at its election (and if before sale of said equipment as in paragraph (c) hereof provided, the

Vendee shall have paid to the Vendor all costs and expenses of the Vendor incidental to any such default, and all sums which shall then have become due and payable by the Vendee hereunder, other than that part of said purchase price as shall have become due solely because of the declaration of the Vendor under this paragraph, and shall have remedied all other existing events of default or made provision therefor satisfactory to the Vendor, the Vendor shall) waive any such event of default and its consequences and rescind and annul any such declaration or termination by giving notice to the Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had occurred or existed and no such declaration nor termination had been made; but no such waiver, rescission or annulment shall limit or affect the Vendor's right, upon any subsequent default, to declare the unpaid balance of said purchase price due in the manner provided in this paragraph, or extend or affect any other default, or impair any rights or remedies consequent upon any other such default.

(b) If the Vendee shall make default as hereinabove provided, then at any time thereafter during the continuance of such default, the Vendor without further notice or demand except to the extent necessary in order to comply with any such legal requirements, may take or cause to be taken by its agent or agents immediate possession of said equipment, or any thereof, and all present and future equipment, attachments and accessories thereof, without liability to return to the Vendee any sums theretofore paid, and free from all claims whatsoever except as hereinafter in this Section 10

expressly provided, and may remove the same from the use and possession of the Vendee and for such purpose may enter upon the Vendee's premises where any of said equipment may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of the Vendee, without process of law; and the Vendee shall assemble and deliver said equipment, with all replacements, improvements, equipment, attachments and accessories thereof, at its own cost at such place or places on its railroad as the Vendor may reasonably designate, and in case of such retaking or delivery the Vendor shall have the right to store the same upon the premises of the Vendee without charge until the Vendor shall be able within a reasonable time to remove the same therefrom. The assembling and delivery of said equipment as hereinbefore provided is of the essence of this agreement between the parties and upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Vendee requiring specific performance hereof.

(c) If the Vendee shall make default as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Vendor with or without retaking possession thereof may sell said equipment or any thereof, and all replacements thereof, and all improvements, equipment, attachments and accessories placed thereon, free from any and all claims of the Vendee, or of any other party claiming by, through or under it at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine, all

subject to and in compliance with any legal requirements then in force and applicable to such sale. To the extent permitted by any such legal requirements, any sale or sales hereunder may be held or conducted at such location and at such time or times as the Vendor may fix, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine in compliance with any such legal requirements, provided that written notice of such sale shall be given to the Vendee at least ten (10) days prior thereto, by telegram or registered mail addressed to the Vendee at its office in St. Paul, Minnesota, or such other notice, if any, as may be necessary to comply with any such legal requirements. If such sale shall be a private sale permitted by such legal requirements, it shall be subject to the right of the Vendee to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same or better price as offered by the intending purchaser. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Vendor may itself bid for and become the purchaser of said equipment, or any thereof so offered for sale without accountability to the Vendee (except to the extent of surplus money received as hereinafter provided in paragraph (e) of this Section 10) and in payment of such purchase price the Vendor shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Vendor from the Vendee hereunder.

(d) Each and every power or remedy hereby specifically given to the Vendor shall be in addition to every other power

or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder, shall impair any such power or remedy, or shall be construed to be a waiver of any default, or an acquiescence therein.

(e) If the Vendor shall exercise any of the powers or remedies conferred upon it hereunder, the Vendee shall have the right after all sums due hereunder to the Vendor shall have been received by it in full, including its proper costs and expenses incident to the collection thereof, to require title to any of said equipment, if not previously sold or otherwise disposed of by the Vendor pursuant to the provisions hereof, to be transferred and assigned by the Vendor to the Vendee free from any further liabilities or obligations to the Vendor. If after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due it under the provisions of this agreement, the Vendee shall pay the amount of such deficit to the Vendor. If after applying as aforesaid all sums realized by the Vendor there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee.

11. The filing by the Vendee or by creditors of the Vendee of any petition for reorganization or debt adjustment affecting the obligations of the Vendee under this agreement, under Section 77 of the Bankruptcy Act, or under any amendment or revision thereof, or under any other provision of the Bankruptcy Act as now or hereafter existing, or any voluntary assignment or transfer of the Vendee's interest in and under this agreement or any involuntary transfer of such interest by bankruptcy, or by the appointment of a receiver or trustee, or by execution or by any judicial or administrative decree or process, or otherwise (unless such petition shall be dismissed or such assignment, transfer, decree or process shall within thirty (30) days from the filing or other effective date thereof, be nullified, stayed or otherwise rendered ineffective, or unless any such receiver(s) or trustee(s) shall within thirty (30) days from the date of his or their appointment adopt this agreement pursuant to due authority of the court of his or their appointment) shall be deemed a breach of this agreement and a default hereunder; whereupon the Vendor may elect to declare the entire unpaid balance of the purchase price immediately due and payable as hereinbefore provided and may thereupon forthwith retake possession of said equipment or any thereof and exercise and enforce any and all other remedies as provided by Section 10 hereof.

12. The Vendee shall not assign nor transfer this agreement or any of its rights hereunder, nor transfer nor sublet the said equipment or any thereof without the Vendor's written consent first had and obtained, and shall not cause nor permit any of said equipment to be pledged or held for any debt or obligation owing by the Vendee or to be in any man-

ner encumbered, and shall not suffer the said equipment or any thereof to pass out of the Vendee's control except in the ordinary course of interchange of equipment with connecting railway carriers.

13. Wherever provision is made in this agreement for any notice or demand to or upon the Vendee, or if at any time, the Vendor shall desire to give notice to or make any demand upon the 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 the 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.

14. If any provision of this agreement is prohibited by any applicable law of any state or country, or by any applicable law of any state or country this agreement is converted into any instrument other than an agreement of conditional sale, the remaining provisions of this agreement shall remain in full force and effect in such state or country and this agreement shall remain in full force and effect as an agreement of conditional sale in all other states and countries in which it is filed of record as herein provided.

Where, however, the conflicting provisions of any applicable law of any state or country may be waived, they are hereby waived by the Vendee to the full extent permitted by law.

15. Any extension of time granted by the Vendor to the Vendee for the payment of any sum due under this agreement, shall not be deemed a waiver of the title of the Vendor reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

16. The Vendee shall cause this agreement to be filed, registered, deposited and recorded to the satisfaction of counsel for the Vendor, wherever required for the proper protection of the Vendor's title to said equipment and any replacement or replacements thereof, and of its rights under this agreement; and the 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 the Vendor for the purpose of such protection of its title and rights, or for the purpose of carrying out the intention of this agreement. The Vendee shall pay also all cost, charges and expenses, except the counsel fees of the Vendor, incident to the printing, filing, registering and recording of this agreement and of any instrument supplemental hereto or amendatory hereof and of the assignment contemplated in the first paragraph of Section 3 hereof, but not of subsequent assignments.

17. This agreement 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.

18. No variation or modification of this agreement and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by duly authorized officers of the Vendee and the Vendor.

19. So long as the Vendee shall not be in default under this agreement it shall be entitled to the possession of said equipment 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 in the usual interchange of equipment, but subject at all times to all terms and conditions of this agreement.

20. The terms of this agreement and all the rights and obligations hereunder shall be governed by the laws of the State in which the equipment described herein is constructed.

IN WITNESS WHEREOF, the Vendor and the 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 here-

unto affixed, duly attested, as of the day and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By .....
Vice President.

Attest:

.....
Asst. Secretary.

Signed, sealed and delivered in the presence of:

.....

.....

GREAT NORTHERN RAILWAY COMPANY

By .....
Vice President.

Attest:

.....
Secretary.

Signed, sealed and delivered in the presence of:

.....

.....

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

I, James Sorna, 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 4th day of November ...., A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division) to the within and foregoing instrument, C. R. Osborn and A. D. Pedlar, each to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division) 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said C. R. Osborn 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 the said C. R. Osborn resides in Village of Hinsdale, State of Illinois, and that the said A. D. Pedlar resides in Village of Western Springs, State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and

which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

James Sorna
Notary Public
My Commission Expires
January 12, 1950

STATE OF MINNESOTA, }
COUNTY OF RAMSEY. } ss.

I, Howard V. Peden, 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 17. day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, Edwin C. Matthias and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 Edwin C. Matthias and F. L. Paetzold, 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 Edwin C. Matthias resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St Paul, State of Minnesota; that said Edwin C Matthias is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 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, subscribe 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.

Howard V. Peden
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

EXHIBIT 1

ASSIGNMENT

OF

CONDITIONAL SALE AGREEMENT NO. 2

BETWEEN

GENERAL MOTORS CORPORATION

(ELECTRO-MOTIVE DIVISION)

AND

GREAT NORTHERN RAILWAY COMPANY

TO

.....

EXHIBIT 1

AGREEMENT, dated as of November ...., 1946 between GENERAL MOTORS CORPORATION, a corporation of the State of Delaware (Electro-Motive Division), hereinafter referred to as the "Manufacturer", party of the first part, and ....., a ...., with its principal place of business at ....., hereinafter referred to as the "Bank", party of the second part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", party of the third part;

WHEREAS, the Manufacturer and the Railroad have entered into a "Conditional Sale Agreement No. 2", hereinafter called the "Agreement", dated as of November 16, 1946, covering the construction, sale and delivery of six (6) Diesel locomotives, hereinafter sometimes referred to as "equipment", a description and number of units of said equipment and the estimated price per unit being as follows:

Number of Units	Description	Railroad's Serial Numbers
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by Manufacturer's Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	191 to 195, both inclusive
1	1500-Horsepower Diesel Branch Line Locomotive, as described in and warranted by Manufacturer's Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price of $150,000.00	227

471

472

WHEREAS, after the payments to be made by the Railroad to the Manufacturer under paragraphs (a) and (b) of Section 2 of said Agreement have been made, there will be a balance of $476,000.00 payable by the Railroad to the Manufacturer on account of the purchase price of said equipment under paragraph (c) of said Section 2 of said Agreement;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Dollar ($1.00) in hand paid by the Bank to the Manufacturer, at or before the execution and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment from and after the delivery to, and acceptance thereof by, the Railroad, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by Section 3 of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Vendor) thereunder as therein defined, without any recourse, however, against the Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the said Agreement; *provided, however,* that this assignment shall not pass to the Bank the right to receive

any of the payments to be made by the Railroad under paragraphs (a) and (b) of Section 2 of said Agreement; *and provided, further* that this assignment shall not be subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or as to any warranty or indemnity with respect thereto, contained in Sections 1 and 4 of said Agreement, it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforceable by the Railroad, its 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 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 and receive, in its own name, but at the expense and liability and for the sole benefit of the Bank, all sums payable, and likewise to enforce any and all action to be taken by the Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto, and that it has secured and is prepared to exhibit a statement of counsel of the Railroad that said Agreement and this Assignment have been or will be filed, registered, deposited and recorded in accordance with the provisions of Section 16 of said Agreement.

2. In consideration of the aforementioned assignment, and the agreement of the Railroad set out in Section 3 hereof, the Bank agrees to pay to the Manufacturer promptly upon receipt from the Manufacturer of an executed counterpart of the acceptance by the Railroad of the delivery of each unit of equipment under the terms of said Agreement, the amount shown below for each such unit:

Description of units	*Amount payable per unit*
1000-Horsepower Diesel Road Switching Locomotives, each	$75,200.00
1500-Horsepower Diesel Branch Line Locomotive	100,000.00

The amounts to be so paid by the Bank to the Manufacturer will aggregate $476,000.00.

3. The Railroad agrees to pay interest, at the rate of .... per cent (....%) per annum, at the times and under the conditions provided in paragraph (c) of Section 2 of said Agreement from the 16th day of November, 1946. The term "interest" as used in this assignment means simple interest as distinguished from compound interest.

If as a result of any proceedings by or against the Manufacturer under the Bankruptcy Act, as now or hereafter existing, or as a result of the appointment of a receiver for the Manufacturer, or for any other reason, delivery of any of the equipment described in the Agreement is not made, then and in that event all sums theretofore paid by the Railroad to the Bank, over and above the purchase price of the units of equipment upon which delivery has been completed, shall be refunded to the Railroad by the Bank.

4. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this assignment; that the same is 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 delivery of the said equipment by the Manufacturer; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

5. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any instalment of the purchase price, or any part thereof, or to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement, or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

6. As further assurance, the Manufacturer agrees that it will execute, acknowledge and deliver any and all further instruments, including any further assignments, required by law or reasonably requested by the Bank, for the purpose of preservation of the rights, title, interests and benefits of the Bank hereunder, including the rights hereby assigned to receive payments under said Agreement, or for the purpose of carrying out the intention of this Agreement.

7. All rights and obligations hereunder shall be governed by the laws of .....

8. This Assignment 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. The Bank agrees to deliver one of such counterparts or a certified copy thereof to the Railroad.

IN WITNESS WHEREOF, The parties hereto, pursuant to due corporate authority, have caused this Assignment to be executed in their 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 and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By .....
Vice President.

ATTEST:

.....
Secretary.

Signed, sealed and delivered as to
General Motors Corporation (Electro-Motive
Division) in the presence of:

.....

.....
Witnesses.

.....

By .....

.....President.

ATTEST:

.....

Signed, sealed and delivered as to
.....

in the presence of:
.....

.....
Witnesses.

GREAT NORTHERN RAILWAY COMPANY

By .....
Vice President.

ATTEST:

.....
Secretary.

Signed, sealed and delivered as to
Great Northern Railway Company
in the presence of:

.....

.....
Witnesses.

NOTE: Acknowledgments will be added.

State of Wisconsin } ss.
DEPARTMENT OF STATE
Received this 15TH day of
November A. D. 1946 at 10:00
o'clock A.M. and recorded in Vol.
38 of Railroad Mortgages
on pages 458-476, incl.
Theodore Dammann
Secretary of State

COUNTERPART
No. 5 OF 7o

ASSIGNMENT
OF
CONDITIONAL SALE AGREEMENT NO. 1
BETWEEN
GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)
AND
GREAT NORTHERN RAILWAY COMPANY
TO
SEATTLE-FIRST NATIONAL BANK

AGREEMENT, dated as of November 16th, 1946, between GENERAL MOTORS CORPORATION, a corporation of the State of Delaware (Electro-Motive Division), hereinafter referred to as the "Manufacturer", party of the first part, and SEATTLE-FIRST NATIONAL BANK, a National Banking Association, with its principal place of business at Seattle, Washington, hereinafter referred to as the "Bank", party of the second part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", as party of the third part;

WHEREAS, the Manufacturer and the Railroad have entered into a "Conditional Sale Agreement No. 1", hereinafter called the "Agreement", dated as of November 16, 1946, covering the construction, sale and delivery of seven (7) Diesel locomotives, hereinafter sometimes referred to as "equipment", a description and number of units of said equipment and the estimated price per unit being as follows:

Number of Units	*Description*	*Railroad's Serial Numbers*
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by Manufacturer's Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	186 to 190, both inclusive
2	1500-Horsepower Diesel Branch Line Locomotives, as described in and warranted by Manufacturer's Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price per unit of $150,000.00	225 and 226

(Fee $3.95)

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WHEREAS, after the payments to be made by the Railroad to the Manufacturer under paragraphs (a) and (b) of Section 2 of said Agreement have been made, there will be a balance of $576,000.00 payable by the Railroad to the Manufacturer on account of the purchase price of said equipment under paragraph (c) of said Section 2 of said Agreement;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Dollar ($1.00) in hand paid by the Bank to the Manufacturer, at or before the execution and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment from and after the delivery to, and acceptance thereof by, the Railroad, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by Section 3 of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Vendor) thereunder as therein defined, without any recourse, however, against the Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the said Agreement; *provided, however,* that this assignment shall not pass to the Bank the right to receive any

of the payments to be made by the Railroad under paragraphs (a) and (b) of Section 2 of said Agreement; *and provided, further* that this assignment shall not subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or as to any warranty or indemnity with respect thereto, contained in Sections 1 and 4 of said Agreement, it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforceable by the Railroad, its 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 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 and receive, in its own name, but at the expense and liability and for the sole benefit of the Bank, all sums payable, and likewise to enforce any and all action to be taken by the Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto, and that it has secured and is prepared to exhibit a statement of counsel of the Railroad that said Agreement and this Assignment have been or will be filed, registered, deposited and recorded in accordance with the provisions of Section 16 of said Agreement.

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2. In consideration of the aforementioned assignment, and the agreement of the Railroad set out in Section 3 hereof, the Bank agrees to pay to the Manufacturer promptly upon receipt from the Manufacturer of an executed counterpart of the acceptance by the Railroad of the delivery of each unit of equipment under the terms of said Agreement, the amount shown below for each such unit:

Description	*Amount payable per unit*
1000-Horsepower Diesel Road Switching Locomotives, each	$ 75,200.00
1500-Horsepower Diesel Branch Line Locomotives, each	100,000.00

The amounts to be so paid by the Bank to the Manufacturer will aggregate $576,000.00.

3. The Railroad agrees to pay interest, at the rate of one and sixty-five hundredths per cent (1.65%) per annum, at the times and under the conditions provided in paragraph (c) of Section 2 of said Agreement from the 16th day of November, 1946. The term "interest" as used in this assignment means simple interest as distinguished from compound interest.

If as a result of any proceedings by or against the Manufacturer under the Bankruptcy Act, as now or hereafter existing, or as a result of the appointment of a receiver for the Manufacturer, or for any other reason, delivery of any of the equipment described in the Agreement is not made, then and in that event all sums theretofore paid by the Railroad to the Bank, over and above the purchase price of the units of equipment upon which delivery has been completed, shall be refunded to the Railroad by the Bank.

4. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this assignment; that the same is 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 delivery of the said equipment by the Manufacturer; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

5. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any instalment of the purchase price, or any part thereof, or to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement, or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

6. As further assurance, the Manufacturer agrees that it will execute, acknowledge and deliver any and all further instruments, including any further assignments, required by law or reasonably requested by the Bank, for the purpose of preservation of the rights, title, interests and benefits of the Bank hereunder, including the rights hereby assigned to receive payments under said Agreement, or for the purpose of carrying out the intention of this Agreement.

7. All rights and obligations hereunder shall be governed by the laws of the State of Washington.

8. This Assignment 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. The Bank agrees to deliver one of such counterparts or a certified copy thereof to the Railroad.

IN WITNESS WHEREOF, The parties hereto, pursuant to due corporate authority, have caused this Assignment to be executed in their 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 and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By .....
Vice President.

ATTEST:

.....
Asst. Secretary.

Signed, sealed and delivered as to General Motors Corporation (Electro-Motive Division) in the presence of:

.....

.....
Witnesses.

SEATTLE-FIRST NATIONAL BANK

By .....
Vice President.

ATTEST:

.....
Cashier.

Signed, sealed and delivered as to
Seattle-First National Bank
in the presence of:

.....

.....
Witnesses.

GREAT NORTHERN RAILWAY COMPANY

By Edwin D. Matthews
Vice President.

ATTEST:

.....
Secretary.

Signed, sealed and delivered as to
Great Northern Railway Company
in the presence of

.....

.....
Witnesses.

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

I, James Sorna, 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 ..18th.. day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division) to the within and foregoing instrument, C. R. Osborn and A. D. Pedlar, each to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division) 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said C. R. Osborn 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 the said C. R. Osborn resides in Village of Hinsdale, State of Illinois, and that the said A. D. Pedlar resides in Village of Western Springs, State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and

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which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

James Sorna
Notary Public.

My Commission Expires January 12, 1950.

STATE OF WASHINGTON, } ss.
COUNTY OF KING. }

I, E. C. FLUMERFELT, 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 land, tenements and hereditaments in said County, do hereby certify that on this 21. day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Seattle-First National Bank, to the within and foregoing instrument, F. E. Jerome and J. H. McClure, each to me personally known and known to me to be, respectively, a Vice President and Cashier of Seattle-First National Bank, 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 Cashier, respectitvely, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said F. E. Jerome and J. H. McClure, 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 F. E. Jerome resides in the City of Seattle, State of Washington, and that the said J. H. McClure resides in the City of Seattle, State of Washington; that said F. E. Jerome is a Vice President

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and said J. H. McClure is Cashier of Seattle-First National Bank, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Cashier, 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 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 Cashier in behalf of said corporation by like 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 King, State of Washington, this the day and year in this my certificate first above written.

[signature]

STATE OF MINNESOTA, } ss.
COUNTY OF RAMSEY. }

I, Howard V. Rhedin, 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 15... day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, Edwin C. Matthias and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 Edwin C. Matthias and F. L. Paetzold, 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 Edwin C. Matthias resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St Paul, State of Minnesota; that said Edwin C Matthias is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writ-

ing; that they, the said Vice President and 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 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.

[signature]

HOWARD V. RHEDIN,
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 9th day of December A. D. 1946 at 10:00 o'clock A.M. and recorded in Vol 38 of Railroad Mortgages on page 477-484, incl.

[signature]
Assistant Secretary of State

COUNTERPART
No. 5 OF 20

ASSIGNMENT
OF
CONDITIONAL SALE AGREEMENT NO. 2
BETWEEN
GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)
AND
GREAT NORTHERN RAILWAY COMPANY
TO
SEATTLE-FIRST NATIONAL BANK

AGREEMENT, dated as of November 16th, 1946, between GENERAL MOTORS CORPORATION, a corporation of the State of Delaware (Electro-Motive Division), hereinafter referred to as the "Manufacturer", party of the first part, and SEATTLE-FIRST NATIONAL BANK, a National Banking Association, with its principal place of business at Seattle, Washington, hereinafter referred to as the "Bank", party of the second part, and GREAT NORTHERN RAILWAY COMPANY, a corporation of the State of Minnesota, hereinafter referred to as the "Railroad", as party of the third part;

WHEREAS, the Manufacturer and the Railroad have entered into a "Conditional Sale Agreement No. 2", hereinafter called the "Agreement", dated as of November 16, 1946, covering the construction, sale and delivery of six (6) Diesel locomotives, hereinafter sometimes referred to as "equipment", a description and number of units of said equipment and the estimated price per unit being as follows:

Number of Units	Description	Railroad's Serial Numbers
5	1000-Horsepower Diesel Road Switching Locomotives, as described in and warranted by Manufacturer's Specification of August 15, 1946, Order No. E-687, at an estimated price per unit of $107,300.00	191 to 195, both inclusive
1	1500-Horsepower Diesel Branch Line Locomotive, as described in and warranted by Manufacturer's Specification No. 8002 of July 10, 1945, and Supplement No. 1 of January 2, 1946, at an estimated price of $150,000.00	227

(Fee #3.95)

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WHEREAS, after the payments to be made by the Railroad to the Manufacturer under paragraphs (a) and (b) of Section 2 of said Agreement have been made, there will be a balance of $476,000.00 payable by the Railroad to the Manufacturer on account of the purchase price of said equipment under paragraph (c) of said Section 2 of said Agreement;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Dollar ($1.00) in hand paid by the Bank to the Manufacturer, at or before the execution and delivery hereof, the receipt of which by the Manufacturer from the Bank is hereby acknowledged, and 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, its successors and assigns, all the right, title and interest of the Manufacturer in and to the said equipment from and after the delivery to, and acceptance thereof by, the Railroad, including the right to receive the payments provided for in said Agreement, and the right of assignment as provided by Section 3 of said Agreement, and subject to the provisions thereof, together with all the rights and subject to all the obligations in respect thereof set forth in the said Agreement as applying to the Manufacturer (Vendor) thereunder as therein defined, without any recourse, however, against the Manufacturer for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the said Agreement; *provided, however*, that this assignment shall not pass to the Bank the right to receive any

of the payments to be made by the Railroad under paragraphs (a) and (b) of Section 2 of said Agreement; *and provided, further* that this assignment shall not subject the Bank to, or transfer or pass, 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 obligations to construct and deliver the equipment, or as to any warranty or indemnity with respect thereto, contained in Sections 1 and 4 of said Agreement, it being understood and agreed that, notwithstanding this assignment, all said obligations of the Manufacturer to the Railroad in respect of the said equipment shall be and remain enforceable by the Railroad, its 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 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 and receive, in its own name, but at the expense and liability and for the sole benefit of the Bank, all sums payable, and likewise to enforce any and all action to be taken by the Railroad under said Agreement in respect of the equipment described therein.

The Manufacturer represents and warrants to the Bank, its successors and assigns, that said Agreement was lawfully executed for a valid consideration; that it is a valid and existing contract, and, according to its terms, binding upon the parties thereto, and that it has secured and is prepared to exhibit a statement of counsel of the Railroad that said Agreement and this Assignment have been or will be filed, registered, deposited and recorded in accordance with the provisions of Section 16 of said Agreement.

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2. In consideration of the aforementioned assignment, and the agreement of the Railroad set out in Section 3 hereof, the Bank agrees to pay to the Manufacturer promptly upon receipt from the Manufacturer of an executed counterpart of the acceptance by the Railroad of the delivery of each unit of equipment under the terms of said Agreement, the amount shown below for each such unit:

Description	*Amount payable per unit*
1000-Horsepower Diesel Road Switching Locomotives, each	$ 75,200.00
1500-Horsepower Diesel Branch Line Locomotives, each	100,000.00

The amounts to be so paid by the Bank to the Manufacturer will aggregate $476,000.00.

3. The Railroad agrees to pay interest, at the rate of one and sixty-five hundredths per cent (1.65%) per annum, at the times and under the conditions provided in paragraph (c) of Section 2 of said Agreement from the 16th day of November, 1946. The term "interest" as used in this assignment means simple interest as distinguished from compound interest.

If as a result of any proceedings by or against the Manufacturer under the Bankruptcy Act, as now or hereafter existing, or as a result of the appointment of a receiver for the Manufacturer, or for any other reason, delivery of any of the equipment described in the Agreement is not made, then and in that event all sums theretofore paid by the Railroad to the Bank, over and above the purchase price of the units of equipment upon which delivery has been completed, shall be refunded to the Railroad by the Bank.

4. The Manufacturer covenants and agrees with the Bank that the Manufacturer is the lawful owner of the said equipment and rights under said Agreement sold, assigned, transferred and set over, or intended to be sold, assigned, transferred and set over, to the Bank by this assignment; that the same is 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 delivery of the said equipment by the Manufacturer; all subject, however, to the provisions of the aforesaid Agreement, and the rights of the Railroad thereunder.

5. The Manufacturer covenants and agrees with the Bank, its successors and assigns, that, in any suit or action brought by the Bank under said Agreement for any instalment of the purchase price, or any part thereof, or to enforce any provisions of said Agreement, 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 Railroad arising out of a breach by the Manufacturer, or any successor or successors to its manufacturing property and business, of any of the Manufacturer's obligations respecting said equipment under the terms and conditions of said Agreement, or arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer or successor or successors; provided, the Manufacturer or such successor is given due notice of such defense, set-off or counterclaim, and reasonable opportunity to defend against the same. 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 Railroad and not manufactured by the Manufacturer.

6. As further assurance, the Manufacturer agrees that it will execute, acknowledge and deliver any and all further instruments, including any further assignments, required by law or reasonably requested by the Bank, for the purpose of preservation of the rights, title, interests and benefits of the Bank hereunder, including the rights hereby assigned to receive payments under said Agreement, or for the purpose of carrying out the intention of this Agreement.

7. All rights and obligations hereunder shall be governed by the laws of the State of Washington.

8. This Assignment 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. The Bank agrees to deliver one of such counterparts or a certified copy thereof to the Railroad.

In Witness Whereof, The parties hereto, pursuant to due corporate authority, have caused this Assignment to be executed in their 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 and year first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By E. K. Hom
Vice President.

ATTEST:

A. D. Fuller
Asst. Secretary.

Signed, sealed and delivered as to General Motors Corporation (Electro-Motive Division) in the presence of:

H. R. Dreed

M. L. Fairstrace
Witnesses.

SEATTLE-FIRST NATIONAL BANK

By .....
Vice President.

ATTEST:

.....
Cashier.

Signed, sealed and delivered as to
Seattle-First National Bank
in the presence of:

.....

.....
Witnesses.

GREAT NORTHERN RAILWAY COMPANY

By .....
Vice President.

ATTEST:

.....
Secretary.

Signed, sealed and delivered as to
Great Northern Railway Company
in the presence of:

.....

.....
Witnesses.

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

I, James Sorna, 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 ..19th.. day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to General Motors Corporation (Electro-Motive Division) to the within and foregoing instrument, C. R. Osborn and A. D. Pedlar, each to me personally known and known to me to be, respectively, a Vice President and an Assistant Secretary of General Motors Corporation (Electro-Motive Division) 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 Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said C. R. Osborn 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 the said C. R. Osborn resides in Village of Hinsdale, State of Illinois, and that the said A. D. Pedlar resides in Village of Western Springs, State of Illinois; that said C. R. Osborn is a Vice President and said A. D. Pedlar is an Assistant Secretary of General Motors Corporation (Electro-Motive Division), one of the corporations described in and

which executed the within and foregoing instrument in writing; that they, the said Vice President and 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 and that said instrument was signed and sealed and executed in behalf of said corporation by 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 Assistant Secretary in behalf of said corporation by like 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 Cook, State of Illinois, this the day and year in this my certificate first above written.

James Sorna
Notary Public.

My Commission Expires January 12, 1950.

STATE OF WASHINGTON, } ss.
COUNTY OF KING. }

I, ..., 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 land, tenements and hereditaments in said County, do hereby certify that on this 22nd day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Seattle-First National Bank, to the within and foregoing instrument, F. E. Jerome and J. H. McClure, each to me personally known and known to me to be, respectively, a Vice President and Cashier of Seattle-First National Bank, 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 Cashier, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed, as such, and the said F. E. Jerome and J. H. McClure, 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 F. E. Jerome resides in the City of Seattle, State of Washington, and that the said J. H. McClure resides in the City of Seattle, State of Washington; that said F. E. Jerome is a Vice President

and said J. H. McClure is Cashier of Seattle-First National Bank, one of the corporations described in and which executed the within and foregoing instrument in writing; that they, the said Vice President and Cashier, 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 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 Cashier in behalf of said corporation by like 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 King, State of Washington, this the day and year in this my certificate first above written.

E. Simmerly

STATE OF MINNESOTA, } ss.
COUNTY OF RAMSEY. }

I, Howard V. Rhedin, 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 18... day of November, A. D. 1946, personally appeared before me within said County, and in the presence of the two witnesses whose names are subscribed as such as to Great Northern Railway Company to the within and foregoing instrument, Edwin C. Matthias and F. L. Paetzold, each to me personally known and known to me to be respectively Vice President and Secretary of the Great Northern 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 Edwin C. Matthias and F. L. Paetzold, 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 Edwin C. Matthias resides in the City of St. Paul, State of Minnesota, and that the said F. L. Paetzold resides in the City of St Paul, State of Minnesota; that said Edwin C Matthias is Vice President and said F. L. Paetzold is Secretary of the Great Northern Railway Company, one of the corporations described in and which executed the within and foregoing instrument in writ-

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ing; that they, the said Vice President and 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 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.

Howard V. Rhedin

HOWARD V. RHEDIN,
Notary Public, Ramsey County, Minn.
My Commission Expires Mar. 30, 1951.

State of Wisconsin } ss.
DEPARTMENT OF STATE

Received this 9th day of December A. D. 1946 at 12:00 o'clock P.M. and recorded in Vol. 38 of Railroad Mortgages on page 485-498 incl.

Jos. R. Ammon

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STATEMENT OF COMPLIANCE
FORM CPR 11

State of Wisconsin
PUBLIC RECORDS BOARD

AGENCY: Secretary of State

DIVISION: —

RECORD SERIES: Railroad Mortgages

DATE: 1984

REEL NUMBER: 38

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: 38

REDUCTION RATIO: 20:1

DISPOSAL AUTHORIZATION NUMBER: 414:53

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, 6, 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. 38

ROLL ENDS WITH: Vol. 38

CAMERA OPERATOR: L. N.