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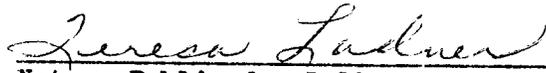
STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

APR 22 1971 -2 30 PM

INTERSTATE COMMERCE COMMISSION

I, the undersigned notary public, in and for the state and county afore-
said, upon my oath do state and affirm that I have examined an original executed
copy of that certain mortgage known as the Prior Lien Mortgage dated January 1,
1922, by Missouri-Kansas-Texas Railroad Company to Central Union Trust Company
of New York (now Manufacturers Hanover Trust Company) and Daniel K. Catlin,
Trustee, and compared the same with the hereto attached copy of said Prior Lien
Mortgage and that the hereto attached copy of said Prior Lien Mortgage is a
complete and accurate copy of the original executed copy thereof, true and
correct in all respects, including the dates, signatures and acknowledgements.

Subscribed and sworn to by me this 11th day of March, 1971.

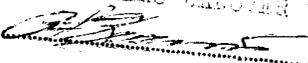


Notary Public for Dallas Co., Texas

My Commission Expires:

June 1, 1971

CERTIFIED TO BE A TRUE AND
CORRECT COPY.

MANUFACTURERS TRUST COMPANY, Trustee
By 

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

TO

CENTRAL UNION TRUST COMPANY OF NEW YORK
DANIEL K. CATLIN,
Trustees.

Prior Lien Mortgage.

Dated January 1, 1922.

PRIOR LIEN MORTGAGE.

TABLE OF CONTENTS.*

	PAGE
Parties	1
Recitals	1
Form of coupon bond.....	3
Form of interest coupon.....	6
Form of registered bond.....	7
Form of Corporate Trustee's certificate.....	10
Granting clause.....	10
Properties mortgaged.....	11
--lines of railway	11
--appurtenances	20
--terminals, terminal properties and lines of motor or water transportation	20
--additions, improvements and betterments, properties and franchises used in connection with mortgaged properties, and rents, issues and profits thereof.....	36
--leases and trackage rights.....	37
--properties acquired by use of Adjustment Mortgage Bonds or subject to Adjustment Mortgage.....	37
--shares of capital stock.....	38
--bonds and obligations	38
--other property now owned or hereafter acquired.....	39
--property hereafter conveyed or transferred in behalf of Rail- road Company to Trustees.....	40
<i>Hobendum</i>	40
Subject to certain liens.....	40
Declaration of trust.....	41

ARTICLE ONE.

FORM, MAKING, DELIVERY, REGISTRY AND EXCHANGE OF BONDS.

Section 1. Execution and authentication of bonds.....	42
Maximum issue \$250,000,000.....	42
Interest rate	42
Former officers	42
Signatures on coupons.....	42
Authentication by Corporate Trustee.....	43

*The Table of Contents and Marginal Notes are not in the mortgage as executed and recorded.

TABLE OF CONTENTS

	PAGE
Cancellation of matured coupons.....	43
Delivery of bonds before recording mortgage.....	43
Section 2. Registration and transfer agencies.....	43
Registration and transfer of coupon bonds.....	44
Coupons to remain negotiable.....	44
Interchange of coupon and registered bonds.....	44
Transfer of registered bonds.....	45
Section 3. Bonds issuable in series.....	45
Denominations of coupon bonds.....	45
Exchange of bonds of different denominations.....	46
Registered bonds—denominations and dates.....	46
Reservation of coupon bonds.....	47
Transfer of registered bonds.....	47
Interchange of registered and coupon bonds.....	47
Charges for exchange or transfer.....	47
Section 4. Places of payment and currencies in which payable.....	48
Additional provisions in bonds payable in foreign countries.....	48
Bonds payable in foreign currency.....	49
—denominations.....	49
—rates of exchange.....	49
—exchange for bonds payable in United States gold.....	49
—notice of redemption.....	50
—registration.....	50
Section 5. Ownership of bonds and coupons.....	50
Section 6. Temporary bonds.....	50
Section 7. Mutilated, destroyed or lost bonds.....	51

ARTICLE TWO.

ISSUE OF BONDS.

Section 1. \$42,882,822 issuable immediately.....	52
Section 2. \$28,057,750 issuable immediately.....	53
—to be applied to refund, pay or acquire underlying obligations.....	53
Stamping of bonds delivered to Corporate Trustee.....	54
Underlying bonds redeemed by sinking funds.....	54
Section 3. \$10,000,000 issuable in order of Reorganization Managers.....	54

TABLE OF CONTENTS

iii

	PAGE
--to be used for purposes of Plan and Agree- ment of Reorganization.....	55
Section 4. \$140,000,001 issuable from time to time for certain stated purposes	55
Definition of "controlled company".....	55
--of "subsidiary company".....	55
Purposes stated	56
Section 5. Restrictions on issue of bonds under Section 4.....	59
Section 6. Issue against deposit of moneys.....	59
Instruments to be delivered to Corporate Trustee.....	60
--resolutions of directors	60
--certificate in respect to authorization of issue by public service commissions.....	60
--certificate of proceeds of sale.....	60
Payment of deposited moneys and issue of bonds without deposit of moneys.....	61
Instruments to be delivered to Corporate Trustee.....	61
--resolutions of directors.....	61
--certificate in respect to authorization of issue by public service commissions.....	61
--certificate of expenditure.....	62
--instruments of further assurance.....	66
--bonds or obligations and stock of controlled or subsidiary companies	67
--opinion of counsel	68
Certificates conclusive evidence to Corporate Trustee..	71
Authentication of bonds and payment of deposited moneys	72
Trustees not to pay out more than proceeds of sale of bonds	72
Trustees not responsible for application of bonds or of deposited moneys	73
Section 7. Form of orders from Railroad Company.....	73
Section 8. Trustees protected	73
Section 9. Further proof may be required by Corporate Trustee	74
Section 10. Issue against surrender and cancellation of bonds previously authenticated	74
Section 11. Issue against bonds matured or redeemed.....	75
Section 12. Bonds not to be issued against bonds converted into stock or retired through sinking fund.....	76

	PAGE
Section 13. But upon such conversion or retirement equivalent amount issuable for purposes of Section 4	77

ARTICLE THREE.

SUPPLEMENTAL INDENTURES.

Section 1. Purposes for which supplemental indentures may be executed	77
—further conveyances and assurances	77
—added limitations	78
—to provide for bonds convertible into stock	78
—to provide for bonds expressed in foreign languages, etc.	78
—sinking fund	79
—successor corporation	79
—other matters	79
Section 2. Construction of supplemental indentures.....	79
Additional events of default.....	79
Amount of bonds required to act in case of such additional events of default.....	80
Trustees authorized to execute supplemental indentures	80
Section 3. Covenant to record supplemental indentures.....	80

ARTICLE FOUR.

REDEMPTION OF BONDS.

Section 1. All or any part redeemable.....	81
Notice of redemption.....	81
Redemption of part of a series only.....	81
Interest to cease.....	82
Redemption of part of coupon bonds reserved against a registered bond.....	82
Section 2. Release of lien.....	83

ARTICLE FIVE.

PARTICULAR COVENANTS OF THE RAILROAD COMPANY.

Section 1. To pay principal and interest.....	83
—deductions for taxes.....	84
Not to extend interest.....	84
To maintain office or agency in New York.....	84
Section 2. After-acquired property subject to this indenture.....	85
—further assurances	85

TABLE OF CONTENTS

v

	PAGE
Section 3. Not to permit defaults under leases or trackage agreements	86
To maintain continuous lines of railroad.....	86
Trustees may pay amounts in default.....	86
Section 4. Not to permit prior liens.....	87
Section 5. To pay taxes.....	87
—of controlled or subsidiary companies.....	88
Section 6. To pay interest and principal of underlying obligations	88
Section 7. To deliver assigned stocks and bonds.....	88
Section 8. To insure.....	89
—controlled companies to insure.....	89
Section 9. To maintain properties and franchises.....	89
—of controlled companies.....	89
Section 10. As to controlled and subsidiary companies.....	90
—increase of capital stock.....	90
—issue of bonds.....	90
—sale of railroads.....	91
—lease of railroads.....	91
Section 11. As to claims against controlled or subsidiary companies	92
Section 12. To list equipment.....	92
Section 13. To maintain and replace equipment.....	92
Section 14. To report sales of securities.....	93
Section 15. As to annual audit.....	93
Section 16. Expert examination authorized.....	94
Section 17. To issue and apply bonds only in accordance with this indenture	94
Section 18. As to future liens.....	95

ARTICLE SIX.

CONTROL OF STOCKS AND BONDS.

Section 1. Delivery to Corporate Trustee.....	95
Section 2. Registration or transfer into name of Corporate Trustee	95
Shares necessary to qualify directors or officers.....	96
Section 3. Rights of Railroad Company until entry by Trustees or default	97
— as to principal of pledged securities.....	97

	PAGE
--as to interest and dividends.....	97
--as to claims.....	98
--restrictions	98
Trustees may assume that interest and dividends are paid out of income.....	100
Section 4. Application of payments of principal or out of capital..	100
Section 5. Right to vote on pledged stock.....	101
Corporate Trustee to have rights of owner.....	102
Section 6. Rights of Corporate Trustee.....	103
--in case of default affecting pledged secur- ities	103
--in case of dissolution or judicial sale affect- ing pledged securities.....	103
Corporate Trustee may join in reorganization affect- ing pledged securities.....	105
Railroad Company to pay expenditures.....	105
--Corporate Trustee to have prior lien therefor....	105
Application of proceeds of sale.....	106
Section 7. Securities pledged under underlying mortgages.....	107
Section 8. Extension or refunding of bonds of controlled or subsidiary companies.....	107
Section 9. Consolidation and merger.....	109
--of controlled companies.....	109
--of subsidiary companies.....	109
--of companies less than a majority of the stock of which is pledged.....	110
Increase of capital stock.....	110
Resolution of board as conclusive evidence that value of security will not be prejudiced.....	111
Merger or consolidation of controlled or sub-idiary company with Railroad Company.....	111
Section 10. Until default, Railroad Company may require:	111
--cancellation of pledged obligations secured by property subject to this indenture as a direct lien	112
--cancellation of certain other pledged obliga- tions	112

ARTICLE SEVEN.

REMEDIES OF TRUSTEE AND BONDHOLDERS.

Section 1. Postponement of coupons and interest claims sepa- rately transferred	113
--	-----

TABLE OF CONTENTS

vii

	PAGE
Section 2. Events of default.....	113
—(a) non-payment of interest.....	113
—(b) non-payment of principal.....	113
—(c) non-performance of other covenants and conditions of this indenture.....	113
—(d) order for appointment of receiver.....	114
—(e) non-payment of interest of obligations secured by direct prior lien.....	114
—(f) non-payment of principal of, or failure to take up, obligations secured by di- rect prior lien.....	114
—(g) non-performance of covenants in in- struments constituting direct prior lien	114
Trustees' right to enter and operate.....	114
Application of income.....	115
Section 3. Trustees' right to collect interest and dividends on pledged securities.....	116
—in case of receivership.....	117
Section 4. Trustees' right to declare principal due.....	117
—waiver by bondholders.....	117
Section 5. Trustees' right to sell.....	118
—to institute judicial proceedings.....	118
Section 6. 20% of bondholders may require action.....	119
Section 7. Sale as an entirety.....	119
Waiver of marshalling.....	119
Section 8. Notice of sale.....	120
Section 9. Adjournment of sale.....	120
Section 10. Conveyance on sale.....	120
Sale to divest all interest of Railroad Company.....	121
Personalty deemed fixtures.....	121
Section 11. Trustees' receipt sufficient discharge to purchaser.....	121
Section 12. Principal due in case of sale.....	121
Section 13. Application of proceeds of sale.....	122
Section 14. Bonds and coupons credited on purchase price.....	123
Section 15. Covenant to pay entire amount due on default.....	123
Trustees may recover judgment.....	124
Judgment not to affect lien.....	124
Disposition of moneys recovered.....	125
Section 16. Waiver of stay and appraisement laws.....	125
— of right of redemption after sale.....	125

	PAGE
Section 17. Rights of Trustees on commencement of proceedings	126
Section 18. Railroad Company may surrender possession to Trustees	126
Appointment of receiver.....	127
Section 19. Right of bondholders to institute proceedings.....	127
Section 20. Remedies cumulative.....	128
Section 21. Delay not a waiver.....	128
Remedies exercisable repeatedly.....	128
Section 22. Rights on abandonment of proceedings.....	129

ARTICLE EIGHT.

IMMUNITY OF STOCKHOLDERS, OFFICERS AND DIRECTORS.

Individuals exempted from liability.....	129
--	-----

ARTICLE NINE.

BONDHOLDERS' ACTS, HOLDINGS AND APPARENT AUTHORITY.

Execution and acknowledgment of instruments.....	130
Proof of ownership and amount of bonds.....	131

ARTICLE TEN.

RELEASES OF MORTGAGED PROPERTY.

Section 1. Provisions of Article Ten subject to other provisions of this indenture.....	131
Section 2. Releases permitted for purposes of sale.....	131
—lines of railway.....	132
—other property.....	132
Section 3. Release of securities.....	133
Section 4. Sales by controlled or subsidiary companies.....	133
Section 5. Leases of land or property.....	134
—by controlled or subsidiary companies.....	134
Section 6. Sales, grants and arrangements made with respect to terminal or depot facilities.....	135
—by controlled or subsidiary companies.....	135
Section 7. Release of abandoned tracks and franchises.....	136
Section 8. Release on decree of court.....	136
Section 9. Unfit machinery and equipment.....	137
Changes in tracks and structures.....	137

TABLE OF CONTENTS

ix

	PAGE
—in leases and contracts.....	138
Leases, trackage rights and contracts to be subject to prior lien of this indenture.....	138
Section 10. Property of Railroad Company acquired under judicial sales.....	138
Railroad Company permitted to adopt or refuse to adopt leases or contracts so acquired.....	139
Section 11. Right of Railroad Company or controlled or subsidiary company to amend or withdraw from contracts for use of terminals.....	139
Section 12. Right to dispose of obligations not pledged under this indenture.....	140
Section 13. Certificates to be filed with Trustees.....	140
Section 14. Disposition of proceeds.....	141
Section 15. Purchasers protected.....	143
Section 16. Powers of receiver or of Trustees in possession.....	143
Section 17. Release of property subject to prior mortgage or to Adjustment Mortgage.....	143

ARTICLE ELEVEN.

CONCERNING THE TRUSTEES.

Section 1. Acceptance of trusts by Trustees and agreement to execute them upon specified conditions.....	144
--(a) Trustees not responsible for recording.....	144
—or for insurance or taxes.....	144
—or for performance of covenants by Railroad Company.....	144
--(b) entitled to compensation.....	144
--(c) not responsible for recitals.....	144
--(d) may assume that Railroad Company has not defaulted until notice from bondholders.....	145
--(e) not required to take action unless indemnified.....	145
--(f) may employ agents.....	146
--not responsible for default of co-trustee.....	146
--(g) entitled to indemnity.....	146
--(h) action on advice of counsel protected.....	146
--(i) not required to give notice of assignment of securities, nor to see to application of proceeds of bonds.....	147
--(j) action upon notices, etc., protected.....	147

	PAGE
---(k) as to question of fact may rely upon certificate	147
---(l) not responsible for execution or validity of indenture or of bonds nor for sufficiency of security.....	147
---(m) may own bonds and coupons.....	147
Section 2. Resignation of Trustees.....	148
Removal of Trustees.....	148
Section 3. Consolidation or merger of Corporate Trustee.....	148
Section 4. Appointment of successors.....	149
Acceptance by new trustee.....	150
Powers of Trustees <i>inter se</i>	151
Section 5. Appointment of co-trustees.....	152

ARTICLE TWELVE.

POSSESSION UNTIL DEFAULT—DEFEASANCE CLAUSE.

Section 1. Railroad Company to retain possession until default	152
Covenant to apply income to payment of bonds.....	153
Section 2. Defeasance	153

ARTICLE THIRTEEN.

CONSOLIDATION, MERGER AND SALE.

Section 1. This Article subject to Article Six.....	154
Section 2. Consolidation, merger or sale permitted.....	154
—restrictions	155
Section 3. Substitution of successors for Railroad Company.....	155
Section 4. Term "Railroad Company" includes successors.....	156
Section 5. Surrender of powers.....	157

ARTICLE FOURTEEN.

SUNDRY PROVISIONS.

Section 1. Covenants to bind successors and assigns.....	157
Section 2. Definitions	157
Section 3. Execution in counterparts.....	158

ARTICLE FIFTEEN.

PARTIES IN INTEREST.

Rights confined to parties and bondholders.....	158
Acceptance of Trustees.....	158
<i>Testimonium</i>	158
Signatures and seals.....	159
Acknowledgments and County Clerks' Certificates.....	160

THIS INDENTURE dated as of the first day of January, in the year one thousand nine hundred and twenty-two, between MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, hereinafter called the Railroad Company, party of the first part, and CENTRAL UNION TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, hereinafter called the Corporate Trustee, and Daniel K. Catlin, of the City of St. Louis, in the State of Missouri, hereinafter called the Individual Trustee, parties of the second part, hereinafter called collectively the Trustees:

WHEREAS the Railroad Company has been duly organized under the laws of the State of Missouri and owns and operates various lines of railroad in said State and in the States of Kansas and Oklahoma; and

WHEREAS certain of the railroads, equipment and property of the Railroad Company hereinafter described are subject to certain mortgages, trusts and liens hereinafter set forth and the Railroad Company desires to provide for funding and consolidating the indebtedness thereby secured and to provide for making additions to, and extensions and betterments of, its railroads and other property and for the purchase of additional equipment and property and, for such and other corporate purposes, to borrow money; and the Railroad Company, in pursuance of resolutions of its Board of Directors adopted by the affirmative vote of more than two-thirds of the entire Board, and of resolutions adopted by the affirmative vote of the holders of its entire capital stock outstanding, at meetings duly called and held in accordance with law and with the by-laws of the Railroad Company, has determined, for the purposes in this indenture set forth, to increase its bonded indebtedness by the creation and issue, in manner and form as provided by this indenture, of its

bonds, limited to the principal amount of two hundred and fifty million dollars (\$250,000,000) at any one time outstanding, to be known as the Prior Lien Mortgage Gold Bonds of the Railroad Company and hereinafter termed Prior Lien Bonds; and

WHEREAS in order to secure the payment of the principal and interest of all the Prior Lien Bonds at any time issued under this indenture, equally and ratably without priority or distinction, irrespective of the date of issue thereof, the Railroad Company, in pursuance of resolutions of its Board of Directors adopted by the affirmative vote of more than two-thirds of the entire Board at a meeting of said Board duly called and held, and of resolutions adopted by the affirmative vote of the holders of the entire capital stock of the Railroad Company outstanding, at a meeting of said stockholders duly called and held in accordance with law and with the by-laws of the Railroad Company, has determined to execute and deliver to Central Union Trust Company of New York and Daniel K. Catlin, as trustees, the parties hereto of the second part, a mortgage and deed of trust in the terms of this indenture of the lines of railroad, property and franchises hereinafter described, and at said meetings of the Board of Directors and of the stockholders of the Railroad Company, the form of this indenture was approved and the execution and delivery of this indenture duly authorized and directed; and

WHEREAS the Railroad Company in pursuance of due corporate action on the part of its Board of Directors and of its stockholders has determined further to increase its bonded indebtedness by the creation and issue of its bonds limited to the principal amount of one hundred million dollars (\$100,000,000) at any one time outstanding, to be known as the Adjustment Mortgage Gold Bonds of the Railroad Company and hereinafter termed Adjustment Bonds, and to be secured, subject to this indenture, on all property of the Railroad

Company at any time and from time to time subject to this indenture, by mortgage and deed of trust to Irving Bank-Columbia Trust Company and Thomas S. Maffitt as trustees, hereinafter termed the Adjustment Mortgage;

AND WHEREAS the English text of the Prior Lien Bonds and of the coupons to be attached to the coupon bonds is to be substantially in the following general forms respectively (the blanks therein to be appropriately filled from time to time) with appropriate omissions, insertions and variations as may from time to time be determined by the Board of Directors of the Railroad Company:

[FORM OF COUPON BOND.]

Form of coupon
bond

UNITED STATES OF AMERICA.

No.	SERIES	\$
MISSOURI-KANSAS-TEXAS RAILROAD COMPANY,		
Prior Lien Mortgage		Per Cent. Gold Bond.
Due		

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY (hereinafter called the Railroad Company), for value received, hereby promises to pay to the bearer, or, if registered, to the registered holder, of this bond, on the first day of _____, _____ dollars, and to pay interest on said principal amount from _____, at the rate of _____ per cent. per annum, semi-annually, on the first day of January and the first day of July in every year, upon presentation and surrender of the interest coupons hereto annexed, as they severally mature. Payment of the principal and interest of this bond will be made at the office or agency of the Railroad Company in the Borough of Manhattan, in the City of New York, in the State of New York, in gold coin of the United States of America, of or equal to the standard of weight and fineness as it existed on January 1, 1922.

This bond is one of the coupon bonds and registered bonds of the Railroad Company, known as the Railroad Company's Prior Lien Mortgage Gold Bonds and herein termed Prior Lien Bonds, limited to the principal amount of \$250,000,000 at any one time outstanding, bearing interest payable semi-annually January 1 and July 1 and all issued and to be issued under, and equally secured by, a mortgage and deed of trust, dated as of January 1, 1922, made by the Railroad Company to Central Union Trust Company of New York and Daniel K. Catlin as Trustees, hereinafter termed the Prior Lien Mortgage. For a description of the properties and franchises mortgaged and pledged, the nature and extent of the security, and the terms and conditions upon which the Prior Lien Bonds may be issued and are secured, reference is made to the Prior Lien Mortgage.

This bond is subject to redemption at any time at the option of the Railroad Company at a premium of per cent. together with accrued interest, upon sixty days prior notice to be given, as provided in the Prior Lien Mortgage, by publication once a week for four successive weeks in a daily newspaper of general circulation in the Borough of Manhattan, in the City and State of New York, the first publication to be not less than sixty days nor more than ninety days prior to the designated redemption date.

In case an event of default, as defined in the Prior Lien Mortgage, shall occur, the principal of the Prior Lien Bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Prior Lien Mortgage.

No recourse shall be had for the payment of the principal or interest of this bond or any part thereof or for any claim based thereon or otherwise in respect thereof or of the indebtedness represented thereby or of the Prior

Lien Mortgage, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Railroad Company, or of any successor company, either directly or through the Railroad Company or any such successor company, whether by virtue of any statute or constitutional provision or by the enforcement of any assessment or otherwise, all such liability being by the acceptance hereof and as part of the consideration of the issue hereof expressly waived and released.

This bond shall pass by delivery unless registered in the name of the owner at the office or agency of the Railroad Company in the Borough of Manhattan, in the City of New York, such registry being noted on the bond by the Railroad Company. After such registry, no transfer shall be valid unless made at said office or agency by the registered holder in person, or by his attorney duly authorized, and similarly noted on the bond, but the same may be discharged from registry by transfer thereon to bearer, and thereupon transferability 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, which shall continue to be transferable by delivery.

The holder of any coupon bond of this series for \$1,000 may, at his option, surrender for cancellation his bond, with all unmatured coupons thereto appertaining, in exchange for a registered bond without coupons and such registered bond may in turn be re-exchanged for a coupon bond for \$1,000, in each case as provided in the Prior Lien Mortgage, and on payment, if the Railroad Company shall so require, of the charge therein provided for. Coupon bonds of this series in the aggregate face amount of \$1,000 but of smaller denominations, may be surrendered in exchange for a coupon bond for \$1,000 of this series as

provided in the Prior Lien Mortgage and on payment, if the Railroad Company shall so require, of the charge therein provided for.

This bond shall not be entitled to any benefit under the Prior Lien Mortgage, and shall not become valid or obligatory for any purpose, until it shall have been authenticated by the certificate of the Corporate Trustee under the Prior Lien Mortgage, hereon endorsed.

IN WITNESS WHEREOF, MISSOURI-KANSAS-TEXAS RAILROAD 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 with the engraved signature of its treasurer to be attached hereto, as of the first day of

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY,

by

(Corporate Seal.)

Vice-President

Attest:

Assistant Secretary.

Form of Interest
coupon

[FORM OF INTEREST COUPON.]

No.

\$

On the first day of _____, _____, unless the bond hereinafter mentioned shall have been called for previous redemption, MISSOURI-KANSAS-TEXAS RAILROAD COMPANY will pay to the bearer, at its office or agency in the Borough of Manhattan in the City of New York,

_____ dollars in United States gold coin; being six months' interest then due on its Prior Lien Mortgage

Per Cent. Gold Bond, Series _____, No. _____.

Treasurer.

[FORM OF REGISTERED BOND.]

Form of regis-
tered bond

UNITED STATES OF AMERICA,

No.	SERIES	\$
MISSOURI-KANSAS-TEXAS RAILROAD COMPANY.		
Registered Prior Lien Mortgage		Per Cent.
Gold Bond.		

Due

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY (herein-
after called the Railroad Company), for value received,
hereby promises to pay to _____ or registered
assigns, on the first day of _____
thousand dollars, and to pay interest on said principal
amount from the date of this bond, at the rate of _____
per cent. per annum, semi-annually, on the first day of
January and the first day of July in every year.

Payment of the principal and interest of this bond will
be made at the office or agency of the Railroad Company
in the Borough of Manhattan, in the City of New York,
in the State of New York, in gold coin of the United States
of America, of or equal to the standard of weight and
fineness as it existed on January 1, 1922.

This bond is one of the coupon bonds and regis-
tered bonds of the Railroad Company, known as the Rail-
road Company's Prior Lien Mortgage Gold Bonds and
herein termed Prior Lien Bonds, limited to the principal
amount of \$250,000,000 at any one time outstanding, bear-
ing interest payable semi-annually, January 1, and July
1, and all issued and to be issued under, and equally
secured by, a mortgage and deed of trust, dated as of
January 1, 1922, made by the Railroad Company to Cen-
tral Union Trust Company of New York and Daniel K.
Catlin as Trustees, hereinafter termed the Prior Lien
Mortgage. For a description of the properties and fran-

chises mortgaged and pledged, the nature and extent of the security, and the terms and conditions upon which the Prior Lien Bonds may be issued and are secured, reference is made to the Prior Lien Mortgage.

This bond is subject to redemption at any time at the option of the Railroad Company at a premium of per cent. together with accrued interest, upon sixty days prior notice to be given, as provided in the Prior Lien Mortgage, by publication once a week for four successive weeks in a daily newspaper of general circulation in the Borough of Manhattan, in the City and State of New York, the first publication to be not less than sixty days nor more than ninety days prior to the designated redemption date.

In case an event of default, as defined in the Prior Lien Mortgage, shall occur, the principal of the Prior Lien Bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Prior Lien Mortgage.

No recourse shall be had for the payment of the principal or interest of this bond or any part thereof or for any claim based thereon or otherwise in respect thereof or of the indebtedness represented thereby or of the Prior Lien Mortgage, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Railroad Company or of any successor company, either directly or through the Railroad Company or any such successor company, whether by virtue of any statute or constitutional provision or by the enforcement of any assessment or otherwise, all such liability being by the acceptance hereof and as part of the consideration of the issue hereof expressly waived and released.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, at the

office or agency of the Railroad Company in the Borough of Manhattan, in the City of New York, upon surrender and cancellation of this bond, and a new registered bond will be issued to the transferee in exchange therefor, as provided in the Prior Lien Mortgage, and on payment, if the Railroad Company shall so require, of the charge therein provided for. This bond may be exchanged for coupon bonds of the denomination of \$1,000 for the same aggregate principal amount and bearing all unmatured coupons and of the same series, and any such coupon bond may in turn be re-exchanged for a registered bond, in each case as provided in the Prior Lien Mortgage, and on payment, if the Railroad Company shall so require, of the charge therein provided for.

This bond shall not be entitled to any benefit under the Prior Lien Mortgage, and shall not become valid or obligatory for any purpose, until it shall have been authenticated by the certificate of the Corporate Trustee under the Prior Lien Mortgage, hereon endorsed.

IN WITNESS WHEREOF, MISSOURI-KANSAS-TEXAS RAILROAD 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 as of the first day of .

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY,

by

(Corporate Seal.)

Vice-President

Attest:

Assistant Secretary.

Form of Corporate Trustee's certificate [FORM OF CORPORATE TRUSTEE'S CERTIFICATE ON COUPON AND REGISTERED BONDS.]

THIS IS TO CERTIFY that this bond is one of the bonds described in the within mentioned mortgage and deed of trust.

CENTRAL UNION TRUST COMPANY OF NEW YORK,
Trustee.

by

AND WHEREAS all acts and things prescribed by law and by the charter and the by-laws of the Railroad Company have been duly complied with, and the Railroad Company has executed this indenture in the exercise of each and every legal right and power in it vested, and all things necessary to make the Prior Lien Bonds when authenticated by the Corporate Trustee the valid and binding obligations of the Railroad Company, and to make this indenture a valid and binding mortgage and agreement for the security of the Prior Lien Bonds, have been done and performed:

Granting clause

NOW, THEREFORE, THIS INDENTURE WITNESSETH that in order to secure the payment of all the Prior Lien Bonds at any time issued and outstanding under this indenture, according to their tenor, purport and effect, as well the interest as the principal thereof, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the Prior Lien Bonds are issued, received and held, and for and in consideration of the premises and of the acceptance or purchase of the Prior Lien Bonds by the holders thereof, and of the sum of one hundred dollars, lawful money of the United States of America, to the Railroad Company duly paid by the Trustees at or before the ensealing and delivery

of this indenture, the receipt whereof is hereby acknowledged, the Railroad Company hath executed and delivered this indenture, and hath granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over, and by these presents doth grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over unto the Trustees, their successors in the trust and their assigns;

FIRST. ALL AND SINGULAR THE FOLLOWING DESCRIBED LINES OF RAILWAY AND OTHER PROPERTY, AND ALL OTHER LINES OF RAILWAY AT THE DATE OF THE DELIVERY OF THIS INDENTURE OWNED BY THE RAILROAD COMPANY, AND ALL RIGHT, TITLE AND INTEREST OF THE RAILROAD COMPANY IN AND TO ANY OTHER LINES OF RAILWAY IN OR TO WHICH, AT SAID DATE, THE RAILROAD COMPANY HAS ANY RIGHT, TITLE OR INTEREST.

Properties mort-
gaged
—lines of railway.

I.

The following lines of railway as now constructed and operated:

1. A main line of railway, extending from Hannibal, in the State of Missouri, in a southwesterly direction, through the counties of Marion, Ralls, Monroe, Randolph, Howard, Cooper, Pettis, Henry, St. Clair, Bates and Vernon, in the State of Missouri, and Bourbon, Crawford, Neosho and Labette, in the State of Kansas, and Craig, Mayes, Wagoner, Muskogee, McIntosh, Pittsburg, Atoka and Bryan, in the State of Oklahoma, to a point on the boundary line between the State of Oklahoma and the State of Texas (South bank Red River and including bridge over Red River)572.05 miles.

The northbound main track in Bryan County, Oklahoma, located and constructed on separate right-of-way extending from a point in the right-of-way of the above described railroad and lying and being situate in the Southeast quarter of Section 34, T. 7 S., R. 8 E., southeasterly through Sections 3, 4, 9, 16, 20, 21, 29 and 30, all in T. 8 S., R. 8 E.

to a point in the right-of-way of the above described railroad in the Southeast Quarter of Sec. 25, T. 8 S., R. 7 E., all in said Bryan County, Oklahoma7.51 miles.

2. A line of railway from a point of connection with the line described in Subdivision 1, extending from Bryson (formerly Kansas City Junction), Missouri, in a westerly direction, through the counties of Pettis and Johnson, to Holden, Missouri33.12 miles.

3. A line of railway, extending from a point of connection with the line described in Subdivision 2 at or near Holden, in the State of Missouri, in a westerly direction, through the counties of Johnson and Cass, in the State of Missouri, and Miami, in the State of Kansas, to Paola, Kansas53.52 miles.

4. A line of railway, extending from a point of connection with the line described in Subdivision 3 in the City of Paola, Kansas, in a general southwesterly direction through the counties of Miami, Lim, Anderson, Allen, Neosho, Labette and Montgomery in said State to South Coffeyville (near what was Stevens, Indian Territory), in Nowata County, Oklahoma128.01 miles.

5. A line of railway extending from a point of connection with the line described in Subdivision 4 at South Coffeyville (near what was Stevens, Indian Territory), in the State of Oklahoma, through the counties of Nowata, Washington, Osage, Pawnee, Payne, Lincoln, Logan and Oklahoma, to Oklahoma City, in said State (including the line of railway extending from Dewey to Bartlesville, in Washington County, a distance of about 3.68 miles, owned by The Atchison, Topeka & Santa Fe Railway Company, and over which the Railroad Company operates its trains under a trackage agreement)172.13 miles.

6. A line of railway extending from a point of connection with the line described in Subdivision 5 at or near Osage, in Osage County, Oklahoma, through said county and the counties of Tulsa and Wagoner to a point of connection with the line described in Subdivision 1 at Wybark, in Wagoner County, Oklahoma.....79.37 miles.

7. A line of railway extending from a point of connection with the line described in Subdivision 1, at Parsons, in the State of Kansas, in a northwesterly direction, through the counties of Labette, Neosho, Allen, Woodson, Colfey, Lyon, Morris and Geary, in the State of Kansas, to Junction City, Kansas156.07 miles.
8. A line of railway, known as the Krebs Branch, extending from a point of connection with the line described in Subdivision 1, at McAlester, Oklahoma, in an easterly direction, through Pittsburg County to Krebs, Oklahoma4.61 miles.
9. A line of railway extending from a point of connection with the line described in Subdivision 1 at Atoka, in the State of Oklahoma, in a northwesterly direction, through the counties of Atoka and Coal, to Lehigh, Oklahoma9.21 miles.
10. A line of railway extending from a point of connection with the line described in Subdivision 1 at Cherokee Junction, formerly Labette, Kansas, in an easterly direction, through the counties of Labette and Cherokee, to Mineral, Kansas16.49 miles
11. A line of railway, extending from a point of connection with the line described in Subdivision 1 at Walker, in Vernon County, Missouri, to Eldorado Springs, in Cedar County, Missouri14.04 miles.
12. An extension of Krebs Branch lying in the State of Oklahoma, extending from connection with said Krebs Branch at a point about one-half mile north of Krebs Station in said state, easterly through the counties of Pittsburg and Latimer, to a point in T 5 N, R 19 E, in said Latimer County25.04 miles.
- Also a right of way for railroad extending from the terminus of the above described extension, easterly through Latimer County to a point south of Red Oak, Oklahoma14.33 miles.
13. An extension or branch railway in Summit Township, Callaway County, Missouri, beginning at a point of connection with the line hereinafter described in Subdivis-

ion 31, east of the crossing thereof by the railroad of The Chicago and Alton Railroad Company, running thence, in a southerly direction, to the north end of the highway bridge over the Missouri River at Jefferson City, Missouri
.....1.29 miles.

14. An extension or branch railway in the county of Cherokee, Kansas, beginning at a point on the line formerly known as the line of The Southwestern Mineral Railway Company, near Mine No. 6. and extending thence, in an easterly direction, to Mine No. 7.....0.48 miles.

15. An extension or branch railway extending from Coalgate, Oklahoma, westerly to Perry Brothers' Mine in said state, and all within the boundary of Coal County0.44 miles.

16. An extension or branch railway extending from Coalgate, Oklahoma, northwesterly to McDougal's Mine in said state, and all within the boundary of Coal County0.44 miles.

17. An extension or branch railway extending from a point on the Coalgate Branch in the State of Oklahoma, near Mine No. 5, which is north of Coalgate in said State, to the Hickory Shad Mine, now known as Mine No. 9, in said state, and all within the boundary of Coal County1.02 miles.

18. A line of railway extending from a point of connection with the line hereinafter described in Subdivision 31 at Kennard, now called McBaine, in Boone County, Missouri, into Columbia, in said Boone County8.48 miles.

19. A line of railway extending from a point of connection with the line described in Subdivision 4 at Moran, Allen County, Kansas, to a point of connection with the railroad of Missouri Pacific Railroad Company, in Iola, in said Allen County, 13.63 miles, together with a branch line extending from a point of connection with its main line at or near Gas City, in a southwesterly direction, 1.7 miles, making in all15.33 miles.

20. A line of railway extending from a point of connection with the line described in Subdivision 10 at Mineral,

in Cherokee County, Kansas, to a connection with tracks of the Joplin Union Depot Company at Joplin, in Jasper County, Missouri30.02 miles.

Also an extension or branch railway lying in Jasper County, Missouri, and extending from a connection with the above described line of railroad at Chitwood, Missouri, southeasterly to a connection with tracks of Missouri Pacific Railroad Company in Joplin, Missouri.....2.07 miles.

21. An extension or branch railway lying in Cherokee County, State of Kansas, beginning in the southeast quarter of the northwest quarter of Section 27, Township 32 S., Range 23 E., at a point on the line described in Subdivision 20 at mile post 414.20 miles from St. Louis, and extending easterly through Sections 27 and 26.....1.38 miles.

22. An extension or branch railway to Claim 7 of the Osage Coal and Mining Company, in the State of Oklahoma, beginning at a point on the Krebs Branch, near the east line of Section 1, in the southeast quarter of the southeast quarter thereof, Township 5 N., Range 15 E., and extending northerly through said Section 1, Section 36, Township 6 N., Range 15 E., and Section 31, Township 6 N., Range 16 E., to a point in the northwest quarter of Section 31, Township 6 N., Range 16 E., all within the boundary of Pittsburg County1.60 miles.

23. An extension or branch railway known as the Edwards Branch, lying in the State of Oklahoma, extending from a point of connection with the line described in Subdivision 1 at McAlester, in the southeast quarter of the northwest quarter of Section 31, Township 6 N., Range 15 E., southwesterly through said Section 31 and through Sections 36 and 35 to a point in the south east quarter of Section 34, Township 6 N., Range 14 E., 2.56 miles, with a branch track leading from a point on said last mentioned branch near the west line of Section 35, Township 6 N., Range 14 E., northwesterly to a point in the southeast quarter of Section 34, Township 6 N., Range 14 E., 0.18 miles, all within the boundary of Pittsburg County, being a total of2.74 miles.

24. An extension or branch railway to the Cherokee Crescent Coal Company's and the Railroad Company's coal mines lying in Cherokee County, Kansas, extending from a point on the Joplin Branch in the northeast quarter of Section 7, Township 32 South, Range 23 East, about one-tenth (.1) of a mile west of the east line of said Section 7, thence northerly through the northeast quarter of Section 7 and the east half of Section 6 to a point in the east and west center line of said Section 6; all in Township 32 South, Range 23 East0.88 miles.

25. An extension or branch railway to the mines of the Brewer Coal & Mining Company, lying in the State of Oklahoma, beginning at a point on the line of the Railroad Company near the north line of Section 20, Township 4 North, Range 14 East, and extending southeasterly across Sections 20, 29 and 28 to a point in the northwest quarter of Section 28 to Mine No. 2 of the Brewer Coal & Mining Company, 1.75 miles, with a branch track extending from a point on said last mentioned branch about one-fourth (.25) of a mile west of Mine No. 2 southerly through the northeast quarter of Section 29 to Mine No. 1 of the Brewer Coal & Mining Company, in the northeast quarter of said Section 29, 0.25 mile, all lying in Township 4 North, Range 14 East, and all within the boundary of Pittsburg County, being a total of2 miles.

26. An extension or branch railway extending from a connection with the Wilburton Division, near Adamson, in Pittsburg County, State of Oklahoma, through Sections 6, 7, 8, 9, 10, 11, 2 and 1 of T. 5 N., R. 17 E., to a connection with the Wilburton Division at a point west of Boiling Spring, in Latimer County, State of Oklahoma.....6.13 miles.

27. An extension or branch railway extending from a connection with the Wilburton Division at Buck, in Pittsburg County, State of Oklahoma, through Sections 11, 12 and 13, T. 5 N., R. 15 E., and Sections 18, 17, 16, 21 and 22, T. 5 N., R. 16 E., to Tobucksy, in said county and state5.67 miles.

28. An extension or branch railway extending from a point on the main line siding one mile north of Kiowa, in Pittsburg County, State of Oklahoma, through Sections 14 and 13, T. 3 N., R. 13 E., and Sections 18, 19 and 20, T. 3 N., R. 14 E., to Pittsburg, in said county and state.....3.35 miles.

29. An extension or branch railway extending from a connection with Fleming's coal spur southeast of Mineral, in Cherokee County, State of Kansas, through Sections 26 and 23, T. 32 S., R. 23 E., formerly serving the Central Coal and Coke Co.'s Mine No. 421.18 miles.

30. Additional rights of way owned by the Railroad Company for revisions of railroad in the State of Oklahoma, namely:

(a) line revision in McIntosh County, extending from a point in the right of way of the Railroad Company opposite Mile Post 529.8 thereof, southerly through Section 30, Township 11 North, Range 17 East, Sections 25 and 36, Township 11 North, Range 16 East, Sections 1, 12 and 13, Township 10 North, Range 16 East, to a junction with said right of way opposite Mile Post 534.5, containing 102.69 acres, more or less;

(b) line revision in McIntosh County, extending from a point in the right of way of the Railroad Company opposite Mile Post 537.0 thereof, southerly through Section 35, Township 10 North, Range 16 East, Sections 2, 11, 14 and 23, Township 9 North, Range 16 East to a junction with said right of way opposite Mile Post 541.4, containing 61.05 acres, more or less;

(c) line revision in Pittsburg County, extending from a point in the right of way of the Railroad Company opposite Mile Post 545.0 thereof, southerly through Sections 5, 8, 7 and 18, Township 8 North, Range 16 East; Sections 13 and 24, Township 8 North, Range 15 East to a junction with said right of way opposite Mile Post 548.86, containing 48.27 acres, more or less;

(d) line revision in Pittsburg County, extending

from a point in the right of way of Railroad Company opposite Mile Post 557 thereof, southwesterly through Sections 27 and 34, Township 7 North, Range 15 East; Sections 3, 4, 9, 8, 17, 20 and 19, Township 6 North, Range 15 East, to a junction with said right of way opposite Mile Post 562.83, containing 77.78 acres, more or less;

(c) line revision in Pittsburg and Atoka Counties, extending from a point in the right of way of the Railroad Company opposite Mile Post 583.6 thereof, southerly through Sections 23, 26, 27 and 34, in Township 3 North, Range 13 East, to a point in the South line of Pittsburg County, containing in all 56.37 acres, more or less; thence extending in Atoka County, Oklahoma, southerly through Section 3, Township 2 North, Range 13 East, to a junction with said right of way opposite Mile Post 586.43, containing 11.49 acres, more or less;

(f) line revision in Atoka County, extending from a point in the right of way of the Railroad Company opposite Mile Post 595.3 thereof southerly through Sections 11, 14, 23, 22, 27 and 34, Township 1 North, Range 12 East, to a junction with said right of way opposite Mile Post 599, containing 60.85 acres, more or less; and

(g) line revision in Pittsburg County, extending from a point in right of way of Railroad Company's Wilburton Branch at Mile Post 3.25 thereof, easterly through Sections 3, 2 and 1, Township 5 North, Range 15 East, and Section 6, Township 5 North, Range 16 East, to a junction with said right of way opposite Mile Post 7.31, containing 41.13 acres, more or less.

31. A line of railway extending from a point of connection with the line described in Subdivision 1 at Franklin Junction, Howard County, in the State of Missouri, and running thence easterly through the counties of Boone, Callaway, Montgomery and Warren to Texas Junction (now Machens) in the County of St. Charles, State of Missouri, approximately162.30 miles.

32. A line of railway extending from a point of con-

nection with the line described in Subdivision 9, Lehigh to Coalgate, in Coal County, State of Oklahoma, with a main line mileage of4.77 miles.

33. A line of railroad, beginning on and extending from the boundary line between the states of Texas and Oklahoma (south bank of Red River), about three and one half miles north of Burkburnett, Texas, at a point of connection with the railroad of The Wichita Falls & Northwestern Railway Company of Texas, and extending thence (including the pile bridge across the Red River) in the State of Oklahoma, through the counties of Cotton, Tillman, Jackson, Greer and Beckham to Elk City in said Beckham County, a distance of 117.61 miles; thence continuing in a northerly direction from said Elk City in the County of Beckham, northerly in said state of Oklahoma through the counties of Beckham and Roger Mills to the Town of Hammon in said Roger Mills County, a distance of approximately 18 miles, and thence continuing from said last-named point through said state and through the counties of Roger Mills, Custer, Dewey, Woodward, Ellis, Harper and Beaver to the Town of Forgan, in Beaver County, Oklahoma, a distance of 150.88 miles, or in all a mileage of286.49 miles.

Also an extension or spur track extending from a connection with the above described line of railroad in the city of Frederick, Tillman County, Oklahoma, northeasterly and northerly to station facilities at Frederick, Oklahoma0.68 mile.

34. A line of railroad, beginning at a junction with the line of railway described in Subdivision 34 in the City of Altus, in Jackson County, Oklahoma, and extending thence, westerly, through the counties of Jackson and Harmon in the State of Oklahoma, and passing through or near the town of Duke in said Jackson County and the towns of Gould and Hollis in said Harmon County to a point of connection with the line of railroad of the Wichita Falls & Wellington Railway Company of Texas on the boundary line between Oklahoma and Texas, a distance of approximately41.9 miles.

II.

—appurtenances,

All appurtenances, including corporate rights, privileges and franchises, of every of the lines of railway at any time subject to the lien of this indenture, whether such appurtenances are at the date of the delivery of this indenture owned by the Railroad Company or may thereafter be acquired by it, to wit:

All telegraph and telephone lines, including all poles, wires and instruments, all rights of way, station and depot grounds, all tunnels, roadbeds, spurs, additional main tracks, double tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, tie plates, splices, signals and signal apparatus and other railroad appurtenances, all terminals and terminal properties, all station houses, warehouses, elevators, freight houses, engine houses, car houses, tower houses, yard buildings, water stations, water tanks, water supply, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars and other rolling stock and equipment, all furniture, machinery, tools, implements, materials and supplies, and all other property, real, personal and mixed, appurtenant to any of said lines of railway and branches, and all tolls, revenues, earnings, income, rents, issues and profits of said railways, premises and property, and of every part thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Railroad Company of, in and to said railways, premises and property, and every part and parcel thereof, with the appurtenances, and the franchises appertaining or hereafter to appertain thereto.

—terminals, terminal properties and lines of motor or water transportation,

SECOND. ALL TERMINALS AND TERMINAL PROPERTIES AND FACILITIES, YARDS, DEPOTS, ROUNDHOUSES, TURNABLES, STOCK YARDS, SIDE AND SPUR TRACKS, AND LINES OF MOTOR OR WATER

TRANSPORTATION AT THE DATE OF THE DELIVERY OF THIS INDENTURE OWNED BY THE RAILROAD COMPANY OR AT ANY TIME THEREAFTER ACQUIRED BY IT, AND ALL STRUCTURES, TRACKS AND IMPROVEMENTS, FIXTURES AND APPURTENANCES AT THE DATE OF THE DELIVERY OF THIS INDENTURE OR AT ANY TIME THEREAFTER CONSTRUCTED ON ANY THEREOF AND PERTAINING OR TO APPERTAIN TO ANY THEREOF, AND ALL THE TOLLS, REVENUES, EARNINGS, INCOME, RENTS, ISSUES AND PROFITS THEREOF AND OF EVERY PART THEREOF, AND ANY AND ALL CORPORATE RIGHTS, PRIVILEGES AND FRANCHISES AT THE DATE OF THE DELIVERY OF THIS INDENTURE OR AT ANY TIME THEREAFTER OWNED BY THE RAILROAD COMPANY AND PERTAINING TO OR TO APPERTAIN TO ANY THEREOF, INCLUDING, BUT WITHOUT LIMITING SUCH GENERAL DESCRIPTION, THE FOLLOWING PROPERTIES AND THEIR APPURTENANCES:

(a) The following lands and terminals in and adjacent to the City of Sedalia, in Pettis County, Missouri:

(1) All that part of the south half of the northwest quarter of Section 9, Township 45 North, Range 21 West, lying north of the right of way of the Railroad Company, and north of the Sedalia and Clinton public road, and containing 30 acres, more or less.

(2) Beginning at a point 30 feet south of the southeast corner of the northeast quarter of the northeast quarter of Section 8, Township 45 North, Range 21 West; thence west 100 feet; thence south parallel with the east line of Section 8, 510 feet; thence southwesterly about 1,430 feet to the intersection of the center line of the northeast quarter (running north and south) of Section 8 with the north line of the Railroad Company's right of way; thence northeasterly along the said right of way to the east line of said Section 8; thence north to the place of beginning; containing 7.5 acres, more or less.

(b) The following lands and terminals in and adjacent to the City of Parsons, in Labette County, Kansas:

(1) All that part of the southwest quarter of Section 12, Township 31 South, Range 19 East, lying east of the right of way of the Railroad Company, and containing 4.3 acres, more or less.

(2) All that part of the southeast quarter of Section 12, Township 31 South, Range 19 East, described as follows: Beginning at a point in the south line of said Section 12, 1281.4 feet west of the Southeast corner thereof, said point being 50 feet westerly, measured at right angles, from the original center line of the Parsons Division of the Railroad Company; thence west with the south line of Section 12, 618.9 feet to a point 50 feet easterly at right angles from the center line of the Neosho Division of the Railroad Company; thence north 22 degrees 15 minutes west parallel with said center line about 1,876 feet to the north and south half section line of said Section 12; thence north with said half section line about 440 feet to a point 50 feet northeasterly at right angles from the center line of the new Neosho Division main passenger track; thence south 40 degrees 15 minutes east parallel with the tangent of said main passenger track and the prolongation thereof, about 2270 feet to a point 50 feet westerly at right angles from the center line of said Parsons Division; thence south 18 degrees 45 minutes west parallel with said center line about 465 feet to the point of beginning, containing 29.5 acres, more or less.

(3) A triangular piece of land situated in the southeast quarter of Section 12, Township 31 South, Range 19 East, described as follows: Beginning at the intersection of the east line of the right of way of The Kansas City and Pacific Railroad with the south line of said Section 12; thence east along said south line 243.2 feet; thence due north 716.4 feet to the right of way of said The Kansas City and Pacific Railroad; thence southwesterly along the east line of said right of way 757.2 feet to the point of beginning, containing two acres, more or less.

(4) All that part of the northeast quarter of Section 13, Township 31 South, Range 19 East, described as follows: Beginning at a point in the north line of said Section 13, 933 feet west of the northeast corner thereof; thence about south 10 degrees 30 minutes east a distance of 1265 feet, more or less, to the northwest corner of the lot belonging to T. R. Cannon; thence south by said Cannon's west line, 396 feet to the north line of the Fifth Addition to the

City of Parsons, as shown by the original plat of said Addition; thence east 260 feet; thence south 175 feet; thence east 50 feet to the east line of Lot 7, Block 191; thence south by the west line of Lot 6, Block 191, and Lot 8, Block 194, about 290 feet to the southwest corner of said Lot 8, Block 194; thence east with the south line of Lots 8, 7 and 6, Block 194, about 165 feet to the northwest corner of Lot 4, Block 194; thence south with the west line of Lot 4, Block 194, 50 feet to the southwest corner thereof; thence east by the south line of said Lot 4, Block 194, about 185 feet to a point in the east line of said Section 13; thence south by said east line about 52 feet to a point in the north line of the original right of way of the Railroad Company, said right of way line being parallel with and distant 50 feet northerly at right angles from the original center line of north Wye; thence westerly and northerly by said right of way line and along the south and west line of said Fifth Addition to the City of Parsons 1,462 feet, more or less, to the northwest corner of said addition; thence north 22 degrees 15 minutes west by a line parallel with and distant 50 feet easterly at right angles from the center line of said Neosho Division 1,733 feet, more or less, to the north line of said Section; thence east by the north line of said Section 967 feet to the point of beginning; excepting the right of way of said Parsons Division originally The Kansas City and Pacific Railroad, 100 feet wide, and about 1,000 feet long; said tract herein described containing 32.78 acres, more or less.

(5) The following described lots and tracts of land in Block 34 of the City of Parsons, according to the recorded plat thereof: Lots 12 and 13 and that portion of Lot 17 lying north of a line which would be an extension or prolongation of the dividing line between Lots 13 and 14 in said Block 34, except a strip of land 9 inches wide off the east side of said Lot 17.

(6) The following described tract of land lying in the City of Parsons: Commencing at a point in the center line of the Neosho Division of the Railroad Company at chaining station 8277 plus 15.8 of said center line; thence southwesterly at right angles to said center line 146.2 feet to

the southeast corner of Block 108 in the First Addition to the City of Parsons, which point is the point of beginning; thence northwesterly diagonally through said Block and through the northwest corner thereof 623.7 feet to a point in the north line of Dirr Avenue; thence west with the north line of Dirr Avenue 855.7 feet to a point in the east line of Twenty Fifth Street, said point being the southwest corner of Block 143 in the Second Addition to said City; thence north with the east line of Twenty Fifth Street and continuing along said line produced northerly 2853.8 feet to a point in the southwesterly right of way line of the Railroad Company, said point being 100 feet distant from the center line of the right of way of the Railroad Company measured at right angles from station 8237 plus 40.7 of said center line; thence southeasterly parallel with said center line 711.5 feet to a point in the south line of Maple Avenue; thence west with said south line 54.4 feet; thence southeasterly parallel with said center line 1440 feet to a point in the north line of Gabriel Avenue; thence east with said north line 21.7 feet; thence southeasterly parallel with said center line and 130 feet distant therefrom 1205.7 feet to a point in the west line of Twenty Second Street; thence south with said west line 37 feet to the point of beginning, containing 29.20 acres, more or less, being all of Lot 1 and fractional parts of Lots 2 and 4 of Block 108 in the First Addition; Lot 1, comprising all of Block 1, Anderson's Addition; Lots 1 and 2, comprising all of Block 2, Anderson's Addition; Lots 1 and 2, comprising all of Block 3, Anderson's Addition; Lots 1, 2, 3, and 4, comprising all of Block 4, Anderson's Addition; Lots 1 and 2, comprising all of Block 163, Second Addition; Lots 1 and 2, comprising all of Block 164, Second Addition; Lots 1, 2, 3 and 4, comprising all of Block 142, Second Addition; Lots 1, 2, 3 and 4, comprising all of Block 143, Second Addition; Lots 1 to 16 inclusive, comprising all of Block 236, Seventh Addition; Lots 1 to 16 inclusive, comprising all of Block 237, Seventh Addition; Lots 1 to 12 inclusive, comprising all of Block 1, Davidson's Addition; Lots 1 to 16 inclusive, comprising all of Block 2, Davidson's Addition; Lots 1 to 10 inclusive, comprising all of Block 1, Highland Addition; Lots 1 to 12 inclusive, comprising all of Block 5, Parkview

Addition; and all of Lots 37 and 38, and fractional parts of Lots 36 and 1 of Block 1, Parkview Addition, and the ground formerly occupied by Davidson's Elevator.

(7) All that part of the northeast quarter of Section 13, Township 31 South, Range 19 East, described as follows: Beginning at a point 400 feet west and 1647 feet south of the northeast corner of said Section 13; thence east 145 feet to a point in the northerly prolongation of the east line of Lot 5, Block 191, Fifth Addition to the City of Parsons; thence south with the east line of said Lot 5 and the prolongation thereof, 290 feet; thence east 42.5 feet; thence south with the center line of alley between Lots 6 and 1, Block 194 of said Fifth Addition, 75 feet to a point in the westerly prolongation of the north line of Lot 2, Block 194; thence east with said north line of Lot 2, 157.5 feet to the northeast corner of said Lot 2, being in the west line of Wood Street; thence south with the east line of said Block 194 and west line of Wood Street, 150 feet to the southeast corner of Lot 4, Block 194; thence west with the south line of said Lot 4, 150 feet to the southwest corner thereof; thence north with the west line of said Lot 4, 50 feet to the northwest corner thereof; thence west with the south line of Lots 6, 7 and 8, Block 194, 167.5 feet to the southwest corner of said Lot 8; thence north with the west line of said Lot 8, Block 194, and west line of Lot 6, Block 191, 290 feet; thence west across Lot 7, Block 191, 50 feet; thence north with the west line of said Lot 7 and the prolongation thereof, 175 feet to point of beginning, containing 1.97 acres more or less.

(8) All that part of the northeast quarter of Section 13, Township 31 South, Range 19 East described as follows:

Beginning at a point in the north line of said Section 13, 400 feet west of the northeast corner thereof; thence south parallel with and 400 feet westerly from the east line of said Section 13, 1647 feet to the southeast corner of a tract of land conveyed by George H. Evison and Barbey Evison to the Missouri, Kansas & Texas Railway Company by deed dated June 23, 1921; thence west with the south line of said tract 260 feet to the southwest corner thereof; thence north with the west line of said tract and the west

line of a tract of land conveyed by T. R. Cannon and Ellen Cannon to the Missouri, Kansas and Texas Railway Company by deed dated June 23, 1921, 396 feet to the northwest corner of said Cannon Tract; thence north 10 degrees 30 minutes west, 1265 feet to a point in the north line of said Section 13, 933 feet west of the northeast corner thereof; thence east with the north line of said Section 13, 533 feet to point of beginning; containing 13.74 acres more or less.

(9) All that part of the southeast quarter of Section 12, Township 31 South, Range 19 East described as follows: Beginning at the center of said Section 12; thence east with the north line of said southeast quarter section 550.4 feet; thence south 22 degrees 15 minutes east 2344.2 feet to a point in the westerly line of original right of way of the Kansas City and Pacific Railway, 50 feet distant northwesterly at right angles from the original center line thereof, said point being 465 feet northeasterly along said westerly line of original right of way from the intersection thereof with the south line of said quarter section; thence north 40 degrees 15 minutes west 2270 feet to a point in the west line of said quarter section; thence northerly with the west line of said quarter section 482.95 feet more or less to point of beginning; containing 21.5 acres, more or less.

(10) All that part of the north half of Section 12 and the southwest quarter of Section 1, Township 31 South, Range 19 east, described as follows:

Beginning at the center of said Section 12; thence west with the east and west center line of said Section 12, 407.6 feet to a point in the east line of original right of way of the Neosho Division of the Missouri, Kansas & Texas Railway, said right of way line being parallel with and 50 feet distant easterly at right angles from the original center line of said Neosho Division; thence north 22 degrees 15 minutes west, with said original east line of right of way 2870 feet to a point in the north line of said Section 12 and south line of said Section 1; thence continuing with said east line of original right of way of the Neosho Division 461 feet; thence southeasterly by a curve having radius of 1096.3 feet, tangent to which is the continuation of last described course, 535 feet more or less to a point in south

line of said section 1; thence east with the north line of said section 12, 1085 feet to a point 316 feet west of the northeast corner of the northwest quarter of said section 12; thence south parallel with and 316 feet distant westerly from the east line of said northwest quarter section 858.8 feet; thence easterly 59.6 feet to a point in the northwesterly line of right of way of the Kansas City Division Freight Cut-off; thence northeasterly, with said line of right of way being parallel with and 50 feet distant northwesterly at right angles from original center line of said Kansas City Division Freight Cut-off, 485 feet more or less to a point in the east line of said northwest quarter section; thence south with the east line of said northwest quarter section 162 feet to a point 50 feet distant southeasterly at right angles from the original center line of said Kansas City Division Cut-off; thence southeasterly and southerly by curve to the left, having radius of 897.5 feet, parallel with and 50 feet distant easterly at right angles from present center line of said Kansas City Division Freight Cut-off 730 feet to point of tangent; thence southerly parallel with and 50 feet distant at right angles from said center line 85 feet to a point 50 feet distant easterly at right angles from center line of present Neosho Division; thence southeasterly parallel with and 50 feet distant northeasterly from said center line of present Neosho Division 1342 feet more or less to a point in the south line of the northeast quarter of said section 12; thence west with said south line of said quarter section 421 feet to point of beginning; said tract above described containing 57 acres more or less.

(11) A cutoff or connecting line of railway between the Sedalia and Kansas City Divisions, described as follows: Beginning at a point in the said Sedalia Division in the northwest quarter of Section 32, Township 30 South, Range 20 East at M. P. 382.64; thence southwesterly across said northwest quarter and the southwest quarter of said Section 32 and the southeast quarter of Section 31, Township 30 South, Range 20 East, Neosho County, Kansas, to a connection with said Kansas City Division at M. P. 133.72, being in the northwest quarter of Section 6, Township 31 South, Range 20 East, Labette County, Kansas, a total distance of 1.15 miles more or less.

(12) A cutoff or connecting line of railway between the Kansas City Division and the northerly entrance to Parsons Terminal freight yard, described as follows:

Beginning at a point in said Kansas City Division at M. P. 133.72 being in the northwest quarter of Section 6, Township 31 South, Range 20 East; thence southwesterly across the said northwest quarter and the southwest quarter of said Section 6, southeast quarter of Section 1, Township 31 South, Range 19 East, and the northeast quarter of Section 12, Township 31 South, Range 19 East, to a point in the west line of said northeast quarter of Section 12, about 530 feet south of the northwest corner thereof, a total distance of 1.3 miles more or less.

(c) The following described tract of land lying in and near the City of Phillips, Coal County, Oklahoma:

Commencing at the point where the center line of the right of way of the Railroad Company crosses the south line of Section 35, Township 1 North, Range 10 East, of the Indian Meridian, said point being at chaining station 622 plus 95 of said center line; thence east with said section line to a point 50 feet distant at right angles from said center line, which point is the point of beginning; thence southerly parallel with said center line 421.4 feet; thence at right angles easterly 50 feet; thence northerly parallel with and 100 feet distant from said center line 1451 feet; thence northeasterly 1760 feet to a point in the north line of the southwest quarter of Section 35, said point being 350 feet easterly from said center line measured at right angles thereto; thence northerly parallel with said center line 2350 feet; thence due east 918.5 feet; thence deflecting 45 degrees to the left northeasterly 490 feet to a point in the north line of said Section 35; thence deflecting 62 degrees to the left northwesterly 2701.1 feet to a point 50 feet distant from the center line of the Railroad Company's track to Mine No. 4 measured at right angles southeasterly from said center line; thence southwesterly by a curved line 50 feet distant from and parallel with the center line of said track 355 feet; thence continuing southwesterly parallel with the center line of the main

track of the Railroad Company and 50 feet distant therefrom, 7770.1 feet to the point of beginning, containing 83.60 acres.

(d) The following described lots, tracts and parcels of land lying and being situate in Kansas City, Jackson County, Missouri:

(1) All of Lots 16 to 30, inclusive, in Block 1, and all of Lots 14 to 26, inclusive, in Block 8, Skiles & Western's Addition; also all of Lots 12 to 24, inclusive, in Seeger's Addition; also all of Lots 8 to 14, inclusive, in Block 9, Depot Addition, all of said additions being in the City of Kansas, now Kansas City, Jackson County, Missouri.

(2) A triangular tract of land in the northwest quarter of the northwest quarter of Section 7, Township 49 North, Range 33 West, in Jackson County, Missouri, described as follows: Commencing at a point on the west line of Liberty Street, in Kansas City, 216 feet south from the south line of Seventeenth Street in said City; thence north along the west line of Liberty Street 216 feet; thence west along the south line of Seventeenth Street 133 feet; thence southeast in a straight line to the place of beginning.

(3) A triangular parcel of land in Kansas City, Jackson County, Missouri, described as follows: Beginning at a point in the Missouri-Kansas state line 419.67 feet north from the intersection thereof with the northwest line of Southwest Boulevard; thence north with said state line 100 feet to a point in Turkey Creek; thence easterly along said Turkey Creek 105 feet; thence southwesterly 154 feet to the point of beginning, containing 0.12 acre more or less.

(e) (1) All that part of the southwest Fractional Quarter of Section 23, the northwest Fractional Quarter of Section 26, and the east half of the northeast quarter of Section 27, all in Township 11 South, Range 25 East, in the County of Wyandotte, State of Kansas, described as follows:

Beginning at the southeast corner of said Fractional Section 23; thence north along the east boundary line

thereof, being the boundary line between the States of Kansas and Missouri, 342 feet, more or less, to the southerly boundary line of the right of way of the joint tracks of St. Louis and San Francisco Railroad Company and the Railroad Company; thence southwest along said right of way line 100 feet; thence southerly to a point on the south line of said Section 23, 150 feet west of the southeast corner of said Section; thence west along said section line 220 feet; thence south 145 feet to the center of Clinton Street; thence west along the center of Clinton Street, 200 feet; thence south along the west line of Lot 96 and the extension thereof, in an Addition to Glen Park, 137½ feet to the center of the alley, south of said lot; thence west along the center of said alley to the center of Gertrude Street; thence northerly along the center of Gertrude Street to the north line produced of Lot 38, in An Addition to Glen Park; thence westerly 140 feet to the northwest corner of said Lot 33; thence north 4 degrees and 39 minutes east, along the west boundary line of Lots 37 to 33 inclusive, in said An Addition to Glen Park, to the south line of the right of way of said joint tracks; thence southwesterly along the south boundary line of the right of way of said joint tracks to the center of the alley between Lots 5 and 6 of E. J. Burlingham's resurvey of Lots 24 to 31 inclusive, in Block 5, Bell's subdivision to Rosedale; thence southeasterly along the center line of said alley to the southeast line of said Lots; thence northeast along the southeast line of said Lots 6 and 7 in said resurvey to the center of the alley northeast of said Lot 7; thence northwest to the southeast line produced of Lot 20, Block 5, in said Bell's subdivision; thence northeasterly along said last mentioned lot line to the center of Mill Street; thence southeasterly along the center of Mill Street to a point opposite the southeasterly line of Lot 17, Block 8, Bell's Third Subdivision; thence northeasterly along the southeasterly line of said Lot 17 to the center of the alley in the rear thereof; thence southeasterly along the center of said alley 132½ feet; thence northeasterly along the center of the alley to a point opposite the southwest line of Lot 2, in said Block 8; thence southeasterly along the southwest line of said Lot 2 and the southwest line of Lots

13 and 10, in Block 4, Bell's Subdivision, crossing the intervening street and alley, to the northwest line of Southwest Boulevard; thence north 46 degrees and 40 minutes east along said Boulevard to the boundary line between the States of Kansas and Missouri; thence north along said boundary line 157 feet, more or less, to the place of beginning, comprising 50 1/10 acres, more or less, and including therein Lots 38 to 72, inclusive; Lots 103 to 115, inclusive; Lots 96 to 102, inclusive, in An Addition to Glen Park; Lots 1 to 15, inclusive, in Glen Park resurvey; all of the plat of Harleston Place; Lots 10, 11, 12 and 13, Block 4, and Lots 20, 21, 22 and 23, Block 5, Bell's Subdivision; Lots 1, 2 and 17 to 29, inclusive, Block 8, and all of Block 9 and Block 10, Bell's Third Subdivision; Lots 6 and 7, E. J. Burlingham's resurvey of Lots 24 to 31, inclusive, Block 5, Bell's Subdivision.

(2) All of Lots 17, 18 and 19, Block 5 of Bell's Subdivision and Lot 5 of E. J. Burlingham resurvey of Lots 24 to 31, inclusive, of Block 5, Bell's Subdivision of the City of Rosedale, Kansas.

(3) All of Block 6 of Bell's Subdivision of the City of Rosedale, Kansas, being Lots 1 to 14, inclusive.

(4) All of Lots 3 and 4, Block 8 of Bell's Subdivision of the City of Rosedale, Kansas.

(5) Also all of Blocks 4 and 7 and a portion of Block 1 of Bell's Subdivision of Rosedale, Kansas, described as follows:

Beginning at a point in the east line of said Block 4 at the intersection thereof with the east and west half section line of Section 27, Township 11 South, Range 25 East; thence westerly with said east and west half section line 284 feet more or less to a point in the southeasterly line of right of way of the St. Louis-San Francisco Railroad; thence northeasterly with said southeasterly line of right of way 600 feet more or less to a point in the northerly prolongation of the east line of Block 4; thence south with said northerly prolongation of the east line of Block 4, 45 feet to the northeasterly line of said Block 7, being the southwesterly line of First Street; thence southeasterly with said northeasterly line of Block 7, 100 feet more or

less to the easterly corner thereof; thence southwesterly with the southeasterly line of said Block 7, being the northwesterly line of Division Street, 50 feet to a point in the northwesterly prolongation of the northeasterly line of Lot 14, Block 1; thence southeasterly with said northeasterly line of Lot 14 and the northwesterly prolongation thereof, 185 feet to the east corner of said Lot 14; thence southwesterly with the southeasterly line of Lots 14 to 21, inclusive, Block 1, 200 feet to the south corner of said Lot 21; thence northwesterly with the southwesterly line of said Lot 21, 70 feet more or less to a point on the west line of Block 1, being also the east line of said Block 4; thence south with the said east line of Block 4, 155 feet more or less to the point of beginning, containing 2.29 acres, more or less.

(6) All that part of Section 26, Township 11 South, Range 25 East, Wyandotte County, Kansas, described as follows: Beginning at a point in the north line of said Section 26, 370 feet west of its intersection with the Missouri-Kansas state line; thence south 25 feet to the northeast corner of Lot 1, Glen Park Addition to the City of Rosedale, Kansas; thence west with the north line of Lots 1 to 22, inclusive, 550 feet more or less to a point in the southeasterly line of original right of way of the St. Louis-San Francisco Railroad; thence northeasterly with said southeasterly line of right of way 60 feet more or less to the north line of Section 26; thence east with said north line of Section 26, 500 feet to the point of beginning, containing 0.31 acre, more or less.

(7) All of Lots 7, 16, 17, 34 and 80 and the east 10 feet of Lot 83 in Glen Park Addition to the city of Rosedale, Kansas.

(8) All that part of the southwest fractional quarter of Section 23, Township 11 South, Range 25 East, Wyandotte County, Kansas, described as follows: Beginning at a point in the south line of said southwest fractional quarter section, 150 feet west of its intersection with the Missouri-Kansas state line; thence westerly with the south line of said fractional quarter section, 720 feet to a point in the southeasterly line of right of way of the St. Louis-San Francisco Railroad; thence northeasterly with said south-

easterly line of right of way by a curve to the left 313 feet to a point in said southeasterly line of right of way 43 feet distant southeasterly at right angles from present center line of the northbound track of said St. Louis-San Francisco Railroad; thence northeasterly with said southeasterly line of right of way parallel with and 43 feet distant southeasterly from the center line of said northbound track of said St. Louis-San Francisco Railroad, 195 feet to a corner in said right of way; thence southeasterly through an angle of 90 degrees to the right 50 feet to a corner in said right of way; thence northeasterly with said southeasterly line of right of way 325 feet to a point 100 feet southwesterly measured along said right of way line from its intersection with the Missouri-Kansas state line; thence southwesterly 312 feet more or less to point of beginning, containing 2.94 acres, more or less.

(f) The following lands and terminals, and the shops and roundhouses located thereon, in and adjacent to the City of Oklahoma, Oklahoma County, Oklahoma:

(1) All that part of the southeast quarter of Section 24, Township 12 North, Range 3 West, described as follows: Beginning at a point in the south line of said section, 50 feet distant at right angles southeasterly from the original center line of Missouri, Kansas and Oklahoma Railroad, being in the southeasterly line of original right of way of said railroad; thence northeasterly with said southeasterly line of right of way 325.3 feet to point of curve; thence northeasterly to the left by a curve having radius of 2914.93 feet, 151.2 feet to a corner in said right of way; thence southeasterly to the right through an angle of 90 degrees from the forward tangent of said curve 75 feet; thence southwesterly by a curve to the right having radius of 2989.93 feet, the back tangent of which makes an angle of 90 degrees with the last described course, 155.3 feet to point of tangent, being 125 feet distant southeasterly at right angles from the said original center line of the Missouri, Kansas & Oklahoma Railroad; thence southwesterly parallel with and 125 feet distant southeasterly from said original center line 284.9 feet to a point in the south line of said section; thence west with said south line of section, 142 feet, more or less,

to a point of beginning, containing 79/100 of an acre, more or less.

(2) All of Lots 23, 24, 26, 27 and 28, Block 3, of the amended plat of Blocks 1, 2, 3 and 4 of Success Heights Addition to the City of Oklahoma City.

(3) All of Lots 30, 31 and 32, Block 6, of Success Heights Addition to the City of Oklahoma City.

(4) All that part of the northwest quarter of section 25, Township 12 North, Range 3 west, described as follows:

Beginning at a point in the south line of said quarter section 281 feet west of the southeast corner thereof being in the easterly line of original right of way of the Missouri, Kansas & Oklahoma Railroad Company; thence northerly with said east line of right of way, being parallel with and 50 feet distant easterly from original center line of said railroad 420 feet to a point in said right of way; thence easterly through an angle of 90 degrees to the right 12.5 feet to a point in said right of way; thence northerly with said line of right of way parallel with and 62.5 feet easterly from the original center line of said railroad 300 feet to a point in said right of way; thence westerly through an angle of 90 degrees to the left 12.5 feet to a point in said right of way; thence northerly through an angle of 90 degrees to the right 47 feet more or less to point of curve 50 feet distant easterly at right angles from said original center line of railroad at station 15750 plus 04.7; thence northerly with said easterly line of original right of way by curve to the right having radius of 5813.6 feet being parallel with and 50 feet distant easterly from said original center line of railroad. 1160 feet more or less to a point in the east line of quarter section; thence south with said east line of quarter section 260 feet to a point 100 feet distant southeasterly at right angles from the center line of present Oklahoma Division; thence southwesterly and southerly by a curve to the left having radius of 2764.93 feet, parallel with and 100 feet distant easterly from said center line of present Oklahoma Division 1215 feet to point of tangent; thence southerly by tangent to last described curve parallel with and 100 feet distant easterly from said center line of present Oklahoma Division 440 feet more or less to a point in the south line of said northwest quarter

section 104.9 feet westerly from the southeast corner thereof; thence westerly with the south line of said quarter section 176.1 feet to point of beginning, containing 4.7 acres more or less.

(5) All that part of the southeast quarter of Section 34, Township 12 North, Range 3 West, described as follows:

Beginning at a point in the east line of said section, being also the east line of High Street, 455 feet northerly from the north line of Reno Avenue; thence westerly at right angles across High Street a distance of 33 feet to a point in the east line of Lot 7, Mead's Addition to Oklahoma City; thence northwesterly across Lot 7, 163 feet to a point in the northerly line of said Lot 7, 150 feet westerly from the northeast corner thereof; thence westerly with the north line of Lots 7 and 14 and the prolongation thereof a distance of 1071 feet to a point in the southeasterly line of right of way of the railroad formerly owned by the Missouri, Kansas and Oklahoma Railroad Company; thence northeasterly with said southeasterly line of right of way 186 feet; thence easterly 425.3 feet to the southwest corner of Lot 16, Mead's Addition; thence northerly with the west line of said Lot 16, 130 feet to the northwest corner thereof; thence easterly with the north line of said Lot 16, 315 feet to the center of Kelley Street; thence northerly with said center line of Kelley Street 40 feet; thence easterly with the north line of Lot 5, Mead's Addition, 345 feet to a point in the east line of High Street; thence southerly with said east line of High Street 365 feet to the point of beginning, containing 5.74 acres.

(6) A line of railway beginning at M. P. 340.32 on the railway from South Coffeyville to Oklahoma City, formerly owned by Missouri, Kansas and Oklahoma Railroad Company, in the northeast quarter of the southwest quarter of Section 25, Township 12 North, Range 3 West; thence extending southerly through the south half of said Section 25 and the east half of Section 36 to a point in the northeast quarter of the southwest quarter of said Section 36, crossing the right of way and track of the C. R. I. and P. Railway; thence westerly through the southwest quarter of said Section 36, and the southeast quarter of Section 35, Township 12 North, Range 3 West, to a point in the north and

south center line of said Section 35, being the east property line of Shaw terminal grounds formerly owned by the Missouri, Kansas & Oklahoma Railroad Company, a total distance of 2.09 miles, more or less.

---additions, improvements and betterments, properties and franchises used in connection with mortgaged properties, and rents, issues and profits thereof,

THIRD. ANY AND ALL ADDITIONS, IMPROVEMENTS AND BETTERMENTS AT THE DATE OF THE DELIVERY OF THIS INDENTURE OWNED, OR THEREAFTER ACQUIRED OR CONSTRUCTED, BY THE RAILROAD COMPANY TO OR UPON OR IN CONNECTION WITH ANY AND ALL LINES OF RAILWAY, EXTENSIONS, BRANCHES, TERMINAL PROPERTIES, TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION AT THE DATE OF THE DELIVERY OF THIS INDENTURE OR AT ANY TIME THEREAFTER SUBJECT TO THIS INDENTURE; ANY AND ALL PROPERTY, REAL OR PERSONAL, OF EVERY KIND AND DESCRIPTION, AT THE DATE OF THE DELIVERY OF THIS INDENTURE OWNED BY THE RAILROAD COMPANY OR AT ANY TIME THEREAFTER ACQUIRED BY THE RAILROAD COMPANY, FOR USE UPON, OR IN CONNECTION WITH, OR FOR THE PURPOSES OF, ANY OF SUCH LINES OF RAILWAY, EXTENSIONS, BRANCHES, TERMINAL PROPERTIES, TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION; AND ANY AND ALL CORPORATE RIGHTS, PRIVILEGES AND FRANCHISES WHICH THE RAILROAD COMPANY AT THE DATE OF THE DELIVERY OF THIS INDENTURE HAS, OR THEREAFTER MAY OR SHALL ACQUIRE, POSSESS OR EXERCISE OR BE ENTITLED TO EXERCISE, IN, TO, UPON, OR IN RESPECT OF, SUCH LINES OF RAILWAY, EXTENSIONS, BRANCHES, TERMINAL PROPERTIES, TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION, OR ANY THEREOF OR ANY PART THEREOF, NECESSARY FOR, OR APPERTAINING TO, OR OTHERWISE IN ANY MANNER IN CONNECTION WITH, THE CONSTRUCTION, MAINTENANCE OR OPERATION OF SUCH LINES OF RAILWAY OR ANY SUCH EXTENSION OR BRANCH, OR SUCH TERMINAL PROPERTIES, TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION, OR ANY THEREOF, OR ANY PART THEREOF; AND ALL THE RENTS, ISSUES, PROFITS, TOLLS AND OTHER INCOME OF SUCH LINES OF RAILWAY AND EVERY THEREOF, AND OF EVERY AND ALL SUCH EXTENSIONS, BRANCHES, TERMINAL PROPERTIES, TEL-

TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION; AND ALSO ANY AND ALL THE RIGHTS, PRIVILEGES, FRANCHISES, PROPERTIES, REAL OR PERSONAL, RIGHTS AND THINGS WHICH THE RAILROAD COMPANY MAY AT THE DATE OF THE DELIVERY OF THIS INDENTURE, OR SHALL THEREAFTER, POSSESS OR BECOME ENTITLED TO EXERCISE, FOR THE PURPOSES OF, OR IN CONNECTION WITH, THE LINES OF RAILWAY OR ANY EXTENSION, BRANCH, TERMINAL PROPERTIES, TELEGRAPH AND TELEPHONE LINES OR LINES OF MOTOR OR WATER TRANSPORTATION AT ANY TIME SUBJECT TO THE LIEN OF THIS INDENTURE.

FOURTH. ALL LEASES AND TRackage CONTRACTS AND ALL RENEWALS AND EXTENSIONS OF ANY AND ALL LEASES AND TRackage CONTRACTS, LEASEHOLD OR OTHER RIGHTS WHICH AT THE DATE OF THE DELIVERY OF THIS INDENTURE ARE OWNED BY THE RAILROAD COMPANY OR AT ANY TIME THEREAFTER MAY BE ACQUIRED OR OWNED BY IT.

--leases and
trackage rights

FIFTH. ANY AND ALL LINES OF RAILWAY, EXTENSIONS AND BRANCHES, TELEGRAPH AND TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION, INCLUDING THE FRANCHISES APPURTENANT THERETO, AND ANY AND ALL TERMINAL PROPERTIES, DEPOTS, OFFICE BUILDINGS, SHOPS, MACHINERY, TOOLS, DOCKS, WHARVES, BRIDGES, FERRIES, LANDINGS, BOATS, ROLLING STOCK AND OTHER EQUIPMENT, AND ANY AND ALL BONDS, OBLIGATIONS, INDEBTEDNESS, STOCKS AND OTHER PROPERTY OF EVERY KIND OR DESCRIPTION (NOTWITHSTANDING THAT THE SAME ARE NOT NOW PARTICULARLY SET FORTH IN THIS INDENTURE AND IN PRIORITY TO ANY CHARGE THEREON OF THE ADJUSTMENT MORTGAGE), WHICH, FROM TIME TO TIME, SHALL BE PURCHASED, ACQUIRED OR CONSTRUCTED IN WHOLE OR IN PART BY THE USE OF ANY OF THE ADJUSTMENT BONDS OR THE PROCEEDS THEREOF OR SHALL IN ANY MANNER BECOME SUBJECT TO THE ADJUSTMENT MORTGAGE; TOGETHER WITH ALL AND SINGULAR THE FRANCHISES, RIGHTS AND PRIVILEGES APPURTENANT TO, OR USED IN CONNECTION WITH, SUCH LINES OF RAILWAY, EXTENSIONS, BRANCHES, TERMINAL AND OTHER PROPERTIES, TELEGRAPH AND

--properties re-
quired by use of
Adjustment Mort-
gage Bonds or
subject to Adjust-
ment Mortgage.

TELEPHONE LINES AND LINES OF MOTOR OR WATER TRANSPORTATION, AND ALL THE RENTS, ISSUES, PROFITS, TOLLS AND OTHER INCOME THEREOF.

—shares of capital stock,

SIXTH. THE FOLLOWING SHARES OF CAPITAL STOCK:

Name of Company	No. of Shares
Missouri-Kansas-Texas Railroad Company of Texas	13,920
The Texas Central Railroad Company:	
Common	26,723
Preferred	13,100
Galveston, Houston & Henderson Railroad Company	5,000
The Boonville Railroad Bridge Company	9,993
Joplin Union Depot Company.....	100
Missouri & Illinois Bridge & Belt Railroad Company	130
Missouri, Kansas & Texas Terminal Company of St. Louis	991
The Wichita Falls & Northwestern Railway Company of Texas.....	193
Wichita Falls & Wellington Railway Company of Texas	143
The Wichita Falls Railway Company.....	193
San Antonio Belt & Terminal Railway Company.....	1,165
Union Terminal Company, Dallas.....	60

—bonds and obligations,

SEVENTH. THE FOLLOWING BONDS AND OBLIGATIONS:

Description	Face Amount
Missouri, Kansas & Texas Railway Company.	
First Mortgage Four Per Cent. Gold Bonds	\$8,512,000.
The Kansas City & Pacific Railroad Company.	
First Mortgage Four Per Cent. Gold Bonds	2,320,000.
Missouri, Kansas & Oklahoma Railroad Company.	
First Mortgage Five Per Cent. Gold Bonds	4,952,000. ✓

Description	Face Amount
The Dallas & Waco Railway Company.	
First Mortgage Five Per Cent. Gold Bonds	1,093,000.
The Boonville Railroad Bridge Company.	
First Mortgage Four Per Cent. Gold Bonds	847,000.
Missouri-Kansas-Texas Railroad Company of Texas.	
General Mortgage Six Per Cent. Gold Bonds	32,528,000.-
Missouri, Kansas & Texas Terminal Company of St. Louis.	
First Mortgage Five Per Cent. Bonds.....	4,776,000. ✓
Galveston, Houston & Henderson Railroad Company.	
First Mortgage Five Per Cent. Scrip.....	744.
Wichita Falls & Wellington Railway Company of Texas.	
First Mortgage Five Per Cent. Bonds.....	225,000.
The Wichita Falls & Northwestern Railway Company of Texas.	
First Mortgage Five Per Cent. Bonds.....	250,000. ✓
The Wichita Falls Railway Company.	
First Mortgage Six Per Cent. Bonds.....	214,000.
Denison and Washita Valley Railway Company.	
First Mortgage Six Per Cent. Bonds.....	1,000,000.
Altus, Wichita Falls & Hollis Railway Company of Oklahoma.	
First Mortgage Five Per Cent. Gold Bonds.....	675,000.
The Gainesville, Henrietta and Western Railway Company.	
First Mortgage Six Per Cent. Gold Bonds.....	1,400,000.
Dallas and Greenville Railway Company.	
First Mortgage Six Per Cent. Gold Bonds.....	1,040,000.
The Taylor, Bastrop and Houston Railway Company.	
First Mortgage Six Per Cent. Gold Bonds.....	2,055,000.

EIGHTH. ALL OTHER RAILROADS, LINES OF RAILWAY, EXTENSIONS, BRANCHES AND BRIDGES, LANDS, EQUIPMENT, ROLLING STOCK, PROPERTY RIGHTS, AND GENERALLY ALL PROPERTY, REAL AND PER-

-other property now owned or hereafter acquired.

IONAL, INCLUDING STOCKS, BONDS, OBLIGATIONS AND INDEBTEDNESS, RIGHTS, PRIVILEGES AND FRANCHISES OWNED AT THE DATE OF THE DELIVERY OF THIS INDENTURE OR AT ANY TIME THEREAFTER ACQUIRED BY THE RAILROAD COMPANY, AND ALL TOLLS, REVENUES, EARNINGS, INCOME, RENTS, ISSUES AND PROFITS THEREOF.

property hereafter conveyed or transferred in behalf of Railroad Company to Trustees.

NINTH. ANY AND ALL PROPERTY OF EVERY NAME AND NATURE, INCLUDING SHARES OF CAPITAL STOCK AND CORPORATE BONDS OR OTHER OBLIGATIONS, WHICH FROM TIME TO TIME AFTER THE DATE OF THE DELIVERY OF THIS INDENTURE, BY DELIVERY OR BY WRITING OF ANY KIND FOR THE PURPOSES HEREOF, SHALL HAVE BEEN CONVEYED, MORTGAGED, FLEDGED, ASSIGNED OR TRANSFERRED BY ANY ONE IN BEHALF OF THE RAILROAD COMPANY TO THE TRUSTEES, WHO ARE HEREBY AUTHORIZED TO RECEIVE AT ANY AND ALL TIMES ANY PROPERTY AS AND FOR ADDITIONAL SECURITY FOR THE PAYMENT OF THE PRIOR LIEN BONDS ISSUED OR TO BE ISSUED UNDER THIS INDENTURE AND TO HOLD AND APPLY ANY AND ALL SUCH PROPERTY SUBJECT TO THE TERMS HEREOF.

Habendum.

TO HAVE AND TO HOLD the railroads, premises, properties, real and personal, rights, franchises, estates and appurtenances, hereby conveyed and assigned, or intended to be conveyed or assigned, (hereinafter sometimes termed the trust estate) unto the Trustees, their successors or successor in the trust and their assigns forever;

Subject to certain liens

SUBJECT, HOWEVER, in so far, but only in so far, as the same may by the terms of such mortgages or charges respectively attach to any part or parts of the trust estate hereby conveyed and mortgaged, assigned or pledged, or so intended to be, to all existing liens and charges of record upon and against any part or parts of the trust estate and specifically but without prejudice to such general provision to the following mortgages and deeds of trust:

(a) the First Mortgage dated June 1, 1890, made by Missouri, Kansas & Texas Railway Company to Central Trust Company of New York (for which United

States Trust Company has since been substituted) as Trustee,

(b) the First Mortgage dated May 1, 1902, made by Missouri, Kansas & Oklahoma Railroad Company to Central Trust Company of New York, as Trustee, ✓

(c) the First Mortgage dated August 1, 1890, made by The Kansas City and Pacific Railroad Company to Central Trust Company of New York, as Trustee,

(d) the First Mortgage dated November 1, 1901, made by The Boonville Railroad Bridge Company to Central Trust Company of New York, as Trustee,

(e) the First Mortgage dated February 1, 1899, made by Denison & Washita Valley Railway Company to Manhattan Trust Company, as Trustee,

(f) First Mortgage, dated January 1, 1910, made by Altus, Wichita Falls & Hollis Railway Company to First Trust and Savings Bank and Emile K. Boisot, as Trustees,

and

SUBJECT, as to any property hereafter acquired by the Railroad Company and becoming subject to the lien of this indenture, to any liens thereon existing at the time of such acquisition by the Railroad Company or created in such acquisition;

IN TRUST, NEVERTHELESS, for the common and equal use, benefit and security of all and singular the person or persons, firm or firms, bodies politic or corporate, who shall from time to time be holders of any of the Prior Lien Bonds or coupons and without preference of any of said bonds over any other or others of said bonds by reason of priority in the time of issue or negotiation thereof or otherwise howsoever; subject to the terms, provisions and stipulations in the Prior Lien Bonds contained, and for the uses and purposes and upon and subject to the terms, conditions, proviso and agreements hereinafter expressed and declared. Declaration of trust

ARTICLE ONE.

FORM, MAKING, DELIVERY, REGISTRY AND EXCHANGE OF BONDS.

Execution and authentication of bonds.

Maximum issue \$250,000,000.

Interest rate.

Former officers.

Signature on coupons.

SECTION I. From time to time the Prior Lien Bonds shall be signed and sealed on behalf of the Railroad Company, and delivered to the Corporate Trustee for authentication by it, and thereupon, as provided in Article Two hereof and not otherwise, the Corporate Trustee shall authenticate and deliver the same. The amount of the Prior Lien Bonds which may be authenticated by the Corporate Trustee is limited, so that never at any one time shall there be outstanding under this indenture Prior Lien Bonds for an aggregate principal amount exceeding the sum of two hundred and fifty million dollars (\$250,000,000). The Prior Lien Bonds shall bear interest from such dates and at such rates and shall mature at such time or times not later than January 1, 2500, as from time to time shall be fixed and determined by the Board of Directors of the Railroad Company and as shall be stated in such bonds, and be in such form and contain such provisions as, subject to the provisions of this Article One, and of Article Three hereof, from time to time shall be determined by said board, and such interest shall be payable semi-annually on the first day of January and the first day of July in each year.

In case the officers of the Railroad Company who shall have signed and sealed any of the Prior Lien Bonds shall cease to be such officers of the Railroad Company before the bonds so signed and sealed shall have been actually authenticated and delivered by the Corporate Trustee, such bonds may, nevertheless, be adopted by the Railroad Company and be issued, authenticated and delivered, as though the persons who signed and sealed such bonds had not ceased to be officers of the Railroad Company. The coupons to be attached to such bonds shall be authenticated by the engraved facsimile signature of the present Treasurer or of any future Treasurer of the Railroad Company, and the Railroad Company may adopt and use for that purpose the engraved facsimile signa-

ture of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bonds shall be actually authenticated and delivered. Only such bonds as shall bear thereon endorsed an authentication substantially in the form hereinbefore recited, executed by the Corporate Trustee, shall be secured by this indenture or entitled to any lien, right or benefit hereunder; and such authentication by the Corporate Trustee upon any such bond shall be conclusive evidence that the bond so authenticated has been duly issued hereunder and that the holder is entitled to the benefit of the trust hereby created. Before authenticating or delivering any coupon bond, except in exchange for temporary bonds, all coupons then matured shall, except as otherwise provided in Section 1, Section 2 and Section 3 of Article Two, be detached and canceled and, on its written demand, delivered to the Railroad Company. On request of the Railroad Company, but within the limitations hereinafter prescribed, Prior Lien Bonds shall be authenticated and delivered hereunder in advance of the registration or recording of this indenture and without delivery of any of the securities, obligations or stocks specified in the Granting Clauses, but the Railroad Company covenants that with all convenient speed it will cause this indenture to be duly recorded as a mortgage upon railways.

Authentication by
Corporate Trustee.

Cancellation of
matured coupons.

Delivery of bonds
before recording
mortgage.

SECTION 2. The Railroad Company will keep, at an office or agency to be maintained by it in the Borough of Manhattan, in the City of New York, or at some bank or trust company in said Borough, a sufficient register or registers, for the registration and transfer of the Prior Lien Bonds, which shall, at all reasonable times, be open for inspection by the Trustees; and, upon presentation for such purpose, the Railroad Company will, under such reasonable regulations as it may prescribe, but subject to the provisions of Section 4 of this Article One, register as to principal any coupon Prior Lien Bond expressed to be registerable as to principal.

Registration and
transfer agencies.

Registration and
transfer of
coupon bonds.

Subject to the provisions of Section 4 of this Article One, the holder of any coupon Prior Lien Bond expressed to be registerable as to principal, may have the ownership thereof registered on said books of the Railroad Company at its said office or agency and such registration noted on the bond. After such registration, no transfer shall be valid unless made on said books by the registered holder, in person or by his attorney duly authorized, and similarly noted on the bond.

Upon presentation to the bond registrar of the Railroad Company, at such office or agency, of any such coupon bond registered as to principal, accompanied by delivery of a written instrument of transfer in the form approved by the Railroad Company, executed by the registered holder, such bond shall be transferred upon such register by the registered holder in person or by attorney duly authorized, and such transfer shall be noted by such bond registrar upon the bond. The registered holder of any such coupon bond, registered as to principal, also shall have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such bond when due shall be payable to the person presenting the bond; but any such bond registered as payable to bearer may be registered again in the name of the holder with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired; and each registration of a bond shall be noted by the bond registrar on the bond. Registration of any of the coupon Prior Lien Bonds as to principal, however, shall not affect the negotiability of the coupons belonging to such bond by delivery merely; but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

Coupons to re-
main negotiable.

Interchange of
coupon and reg-
istered bond.

The holder of any coupon bond of the denomination of \$1,000 (subject to the provisions of Section 4 of this Article One) may at any time surrender the same with all unmatured

coupons thereto appertaining, for cancellation, and as hereinafter provided, receive in exchange therefor a registered bond without coupons for the like principal amount and of the same series, and the registered holder of any registered bond or bonds, at his option, may at any time surrender the same for cancellation and, as hereinafter provided, receive in exchange therefor a like principal amount in coupon bonds of the denomination of \$1,000. Every registered bond without coupons shall be transferable only by the registered holder thereof, in person or by his duly authorized attorney, on said books of the Railroad Company, at its said office or agency, and, upon the surrender and cancellation thereof, one or more new registered bonds without coupons will be issued to the transferee in exchange therefor as hereinafter provided.

Transfer of
registered bonds.

SECTION 3. The Prior Lien Bonds may be issued in series and, in that event, the bonds of each series shall be distinctively designated. All bonds of the same series shall be identical in respect of the rate of interest thereon and the date of maturity and the redemption premium thereof; and all coupon bonds of the same series shall be identical in respect of the place or places of payment thereof and in respect of the rate or rates of exchange, if payable in the alternative in foreign money or moneys, or the fixed amount or amounts thereof if payable in foreign money only (subject, however, to such variations in rates of exchange and amounts as may be convenient to avoid fractions of the smallest unit of currency in common use), and in respect of the language or languages in which the same shall be expressed, and in respect of convertibility or non-convertibility, and, if convertible, in respect of the terms or rate and period of conversion. From the bonds of any series may be omitted, or there may be inserted therein, any provisions for the payment thereof, either as to principal or interest, without deduction for taxes, assessments and governmental charges, and in the bonds of any series may be specified particular taxes, assessments and

Bonds, issuable
in series.

Denominations of
coupon bonds.

governmental charges without deduction for which payment of such bonds will be made. Bonds of the same series may, as hereinafter provided, be of different denominations, and from coupon bonds of other denominations than \$1,000, and provision for registration as to principal of coupon bonds for the exchange of coupon bonds for registered bonds may be omitted. The bonds of each series may be numbered in any manner prescribed by the Railroad Company. Subject to the provisions of Section 4 of this Article One, any of the coupon bonds may be for \$1,000 or for \$500 or for \$250 or for \$100, but the Railroad Company upon the issue of any coupon bonds of smaller denominations than \$1,000 expressed to be exchangeable for a \$1,000 coupon bond, shall reserve unissued an aggregate face amount of \$1,000 coupon bonds equal to the aggregate face amount of the coupon bonds of smaller denominations so issued, and of the same series and an appropriate statement with respect to such reservation may be endorsed on the issued coupon bond. Subject to the provisions of Section 4 of this Article One, whenever coupon bonds of smaller denominations than \$1,000, expressed to be exchangeable for \$1,000 coupon bonds, and of the same series and having all unmatured coupons attached thereto, shall be surrendered in the aggregate principal amount of \$1,000 for exchange for a coupon bond for \$1,000, the Railroad Company shall make, and the Corporate Trustee shall authenticate and deliver, on cancellation of the coupon bonds surrendered, a coupon bond for \$1,000, of the same series, and with all unmatured coupons thereto attached.

Exchange of bonds
of different
denominations.

Registered bonds
- denominations
and dates.

The registered bonds may be of the denomination of one thousand dollars, or of such multiples thereof as the Board of Directors of the Railroad Company may by resolution from time to time authorize, and shall be payable only at the office or agency of the Railroad Company in the Borough of Manhattan, in the City of New York. The registered bonds shall respectively be dated the day of issue, if an interest day, or, if not an interest day, then the last preceding interest day.

The registered bonds shall bear interest from the respective dates thereof. Whenever any bond or bonds shall be issued in the first instance as a registered bond or bonds, there shall be reserved by the Railroad Company, unissued, an aggregate face amount of coupon bonds of the denomination of \$1,000 equal to the aggregate face amount of the registered bond or bonds so issued and of the same series. Whenever any registered bond or bonds shall be surrendered for transfer, the Railroad Company shall make and the Corporate Trustee shall authenticate and deliver, on cancellation of the bond or bonds transferred, a new registered bond or bonds of the same series and for a like principal amount. The holder of any registered bond may also exchange such bond, upon surrender and cancellation thereof, for coupon bonds of the same series of the denomination of \$1,000, to a like principal amount, bearing all unmatured coupons. Whenever any coupon bond or bonds of the same series of the denomination of \$1,000, together with all unmatured coupons thereto belonging, shall be surrendered for exchange for registered bonds, the Railroad Company shall make and the Corporate Trustee shall authenticate and deliver, on cancellation of such coupon bonds, a like principal amount of registered bonds of the same series.

Reservation of coupon bonds.

Transfer of registered bonds.

Interchange of registered and coupon bond.

Upon the issue of any registered bond expressed to be exchangeable for one or more coupon bonds of the same series, such coupon bond or bonds shall be reserved unissued, and an appropriate statement with respect to such reservation may be endorsed upon the issued registered bond.

In every case of exchange, the Corporate Trustee forthwith shall cancel the surrendered bond or bonds and coupons, and on written demand shall deliver the same to the Railroad Company.

For any exchange of coupon bonds for coupon bonds of other denomination, or of coupon bonds for registered bonds, or of registered bonds for coupon bonds, and for any transfer of registered bonds without coupons, the Railroad

Charges for exchange or transfer.

Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, or other expense connected therewith, and of a further sum not exceeding one dollar for each new bond issued upon such transfer or exchange.

Places of payment and currencies in which payable.

SECTION 4. Except as herein otherwise provided, all of the coupon Prior Lien Bonds shall be payable, both as to principal and interest, at the office or agency of the Railroad Company in the Borough of Manhattan, in the City of New York. If the Railroad Company shall, however, so determine, any of said bonds may be made payable at the option of the respective holders at any place or places in the United States of America or elsewhere designated for that purpose in such bonds in the currency or currencies current in said place or places so designated and at such rate or rates of exchange as may be expressed in such bonds, or any of said bonds may be made payable only in one or more foreign countries at some one or more places of payment and in the currency or the respective currencies current in said place or places of payment so designated, and, if made payable only in some foreign country or countries, such bonds may contain such additional appropriate provisions as may, in the judgment of the Railroad Company, be requisite or expedient to conform to the requirements of law or of commercial usage in the country or countries in which they may be so made payable, including provisions requiring the payment of the principal and interest thereof without deduction for taxes imposed by foreign taxing authorities, and in such bonds and the appurtenant coupons may be made such omissions, insertions and variations as the Railroad Company shall deem requisite or expedient for the purposes aforesaid or any of the said matters may be provided by separate agreement or by an endorsement on such bonds. All of the Prior Lien Bonds shall be expressed in the English language, and they, or any of them, at the election of the Railroad Company, may also be expressed in any one or more foreign lan-

Additional provisions in bonds payable in foreign countries.

guages, the English text, however, to govern in the construction thereof. The coupons appurtenant to the coupon bonds in like manner shall be expressed in the English language and they or any of them, at the election of the Railroad Company, may also be expressed in any one or more foreign languages, the English text, however, to govern in the construction thereof.

In case of the issue of bonds payable in foreign money only, the face amount of such bonds (a) may be the equivalent of \$100 United States gold coin or \$250 United States gold coin or \$500 United States gold coin or \$1,000 United States gold coin, as the case may be, and, in each case, of the standard of weight and fineness as it existed January 1, 1922, calculated at the rate or rates of exchange expressed in such bonds; or (b) may be in such amounts as the Board of Directors may determine. The amount of Prior Lien Bonds payable only in fixed amounts of money, of which the Railroad Company shall be entitled from time to time and in the aggregate to obtain the authentication and delivery under the terms of this indenture, shall be determined upon the basis of rates of exchange which shall be expressed in such bonds and from time to time be prescribed by the Board of Directors of the Railroad Company; and the indebtedness in United States gold coin represented by any such bond outstanding shall for all purposes of such bond and of this indenture be calculated at the rate of exchange expressed in such bond.

The Railroad Company may confer upon the holder of any bond or bonds payable only in foreign money the right to exchange the same, upon surrender and cancellation thereof, and of any and all unmaturing coupons thereto appertaining, and upon such other terms and subject to such adjustments and other conditions and limitations as may be therein expressed or provided, for a bond or bonds payable in United States gold coin. In case of any such exchange, the Corporate Trustee forthwith shall cancel the surrendered bond or bonds and the accompanying coupons and on its written request deliver the same to the Railroad Company.

Bonds payable in foreign currency,

--denominations,

--rates of exchange,

--exchange for bonds payable in United States gold,

—notice of redemption,

—registration.

Ownership of bonds and coupons.

The Railroad Company may provide in, or in respect to, any bond payable in any foreign country for advertisement, notice of redemption, and for registration as to principal, in such place or places in such foreign country as the Railroad Company may determine and fix and exclusively in such place or places.

SECTION 5. As to all registered bonds and all coupon bonds registered as to principal, the person in whose name the same shall be registered on the books of the Railroad Company shall, for all purposes of this indenture, be deemed and regarded as the owner thereof, and thereafter payment of, or on account of, the principal of such bond, if it be a registered coupon bond, and of the principal and interest, if it be a registered bond without coupons, shall be made only to, or upon the order of, such registered holder thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bonds to the extent of the sum or sums so paid. The Railroad Company and the Trustees may deem and treat the bearer of any coupon bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on any coupon bond, whether such bond shall be registered as to principal or not, as the absolute owner of such bond or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Railroad Company and the Trustees shall not be affected by any notice to the contrary.

Temporary bonds.

SECTION 6. Until the definitive Prior Lien Bonds shall be prepared, the Railroad Company may sign and seal and, upon the written request of the Railroad Company, the Corporate Trustee shall authenticate and deliver, in lieu of such definitive engraved bonds and subject to the same provisions, limitations and conditions, temporary bonds of any denomination, substantially of the tenor hereinbefore recited, with or without

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coupons, and with appropriate omissions, insertions and variations, as may be required. Any provision for registration of bonds of one denomination for bonds of another denomination may be omitted from temporary bonds of any denomination, or temporary bonds of any denomination may be made exchangeable for temporary bonds of any other denomination or denominations, upon such terms and conditions as may be therein expressed or provided.

Upon surrender of such temporary bonds for exchange, the Railroad Company, at its own expense, shall prepare and sign and seal and, upon cancellation of such surrendered bonds, the Corporate Trustee shall authenticate and shall deliver in exchange therefor, definitive engraved bonds, for the same aggregate principal sum as the temporary bonds surrendered and otherwise in accordance with said temporary bonds, and, until so exchanged, the temporary bonds shall, in all respects, be entitled to the same lien and security of this indenture as the definitive engraved bonds authenticated and delivered hereunder; and interest, when and as payable, shall be paid and payment of such interest endorsed thereon if such temporary bonds shall have been delivered without coupons, or, if such temporary bonds shall have been delivered with coupons, shall be paid on presentation and surrender of such coupons as they mature.

SECTION 7. In case any coupon bond, definitive or temporary, with the coupons thereto appertaining, or any registered bond without coupons, or any temporary bond without coupons, shall become mutilated or be destroyed or lost, the Railroad Company, in its discretion, may sign and seal, and thereupon the Corporate Trustee shall authenticate and deliver, a new bond of like tenor and date, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated coupon bond and its coupons, or the mutilated registered bond, or the mutilated temporary

Mutilated, destroyed or lost bonds.

bond without coupons, or in lieu of, and substitution for, the coupon bond and its coupons or the registered bond or the temporary bond without coupons so destroyed or lost. The applicant for such substituted bond shall furnish the Railroad Company and the Corporate Trustee evidence of the destruction or loss of such coupon bond and its coupons, or of such registered bond, or of such temporary bond without coupons so destroyed or lost, which evidence shall be satisfactory to the Railroad Company and the Corporate Trustee, respectively, in their discretion; and said applicant shall also furnish indemnity satisfactory to the Railroad Company and the Corporate Trustee, in their discretion, and shall comply with such other reasonable regulations as the Railroad Company or the Corporate Trustee may prescribe. The Trustees shall incur no liability for anything done under this Section 7.

ARTICLE TWO.

ISSUE OF BONDS.

\$1,882,822 Issuable
immediately.

SECTION 1. \$42,832,822, face amount, of the Prior Lien Bonds, shall be authenticated and delivered forthwith by the Corporate Trustee on the order of the Railroad Company without any further action on the part of the Railroad Company, to J. & W. Seligman & Co. and Hallgarten & Co., the Reorganization Managers under a Plan and an Agreement for the Reorganization of Missouri, Kansas & Texas Railway Company, dated November 1, 1921, as follows:

\$24,385,002 face amount, Series A, maturing January 1, 1962, redeemable at 105 and accrued interest, bearing interest at the rate of five per cent. per annum and which shall carry interest from January 1, 1922.

\$5,103,250 face amount, Series B, maturing January 1, 1962, redeemable at par and accrued interest, bearing interest at the rate of four per cent. per annum and which shall carry interest from January 1, 1922.

\$12,894,570 face amount, Series C, maturing January 1, 1932, redeemable at 102½ and accrued interest, bear-

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ing interest at the rate of six per cent. per annum and which shall carry interest from January 1, 1922.

SECTION 2. \$28,657,750, face amount, of the Prior Lien Bonds, Series A, carrying interest from January 1, 1922, and \$22,132,750, face amount of the Prior Lien Bonds, Series B, carrying interest from January 1, 1922, and \$6,226,777 face amount of the Prior Lien Bonds of any series (one or more) as the Railroad Company shall designate, carrying interest from January 1, 1922, shall be authenticated and delivered forthwith by the Corporate Trustee on the order of the Railroad Company without any further action on the part of the Railroad Company to J. & W. Seligman & Co. and Hallgarten & Co., said Reorganization Managers.

\$28,657,750 issuable immediately,

The Railroad Company covenants

(a) that said bonds or their proceeds shall, so long as any of the following described bonds and obligations shall be outstanding, unpaid, unrefunded, unpurchased or otherwise unacquired, be used exclusively for the purpose of refunding, paying, purchasing or otherwise acquiring, or providing for, or reimbursing the cost of, the refunding, payment, purchase or acquisition in some other manner of, the following described bonds and obligations:

- to be applied to refund, pay or acquire underlying obligations.

Description.	Face Amount.
MISSOURI, KANSAS & TEXAS RAILWAY COMPANY:	
First Mortgage Four Per Cent. Gold Bonds.....	\$39,969,560
Ten-Year Five Per Cent. Equipment Notes, Series of 1913 (maturing on or after January 1, 1923).....	\$ 15,000
Fifteen-Year Six Per Cent. Equipment Notes, Series of 1920, (maturing on or after January 1, 1923).....	\$ 1,000,000
Unpaid instalments of the purchase price of equipment purchased under Conditional Sales Contract with Lima Locomotive Works, Incorporated, dated June 15, 1920, (due on or after January 1, 1923).....	\$ 432,477
THE MISSOURI, KANSAS & TEXAS RAILWAY COMPANY OF TEXAS:	
Ten-Year Five Per Cent. Equipment Notes, Series of 1914, (maturing on or after January 1, 1923).....	\$ 100,000
Fifteen-Year Six Per Cent. Equipment Notes, Series of 1921, (maturing on or after January 1, 1923).....	\$ 228,000

Description.	Face Amount.
THE KANSAS CITY & PACIFIC RAILROAD COMPANY:	
First Mortgage Four Per Cent. Gold Bonds.....	\$ 2,500,000
MISSOURI, KANSAS & OKLAHOMA RAILROAD COMPANY:	
First Mortgage Five Per Cent. Gold Bonds.....	\$ 5,453,000
THE DALLAS & WACO RAILWAY COMPANY:	
First Mortgage Five Per Cent. Gold Bonds.....	\$ 1,340,000
THE BOONVILLE RAILROAD BRIDGE COMPANY:	
First Mortgage Four Per Cent. Gold Bonds.....	\$ 633,000
TEXAS CENTRAL RAILROAD COMPANY:	
First Mortgage Gold Bonds,	
Five Per Cent.....	\$1,650,000
Four Per Cent.....	\$153,000
KATY OFFICE BUILDING COMPANY:	
First Mortgage Five and One-half Per Cent. Serial Gold Bonds	\$200,000
SAN ANTONIO BILT & TERMINAL RAILWAY COMPANY:	
First Mortgage Six Per Cent. Gold Notes.....	\$1,330,000

(b) that from time to time, as said bonds or obligations shall be refunded, paid, purchased or otherwise acquired, they shall be delivered to the Corporate Trustee to be held by the Corporate Trustee (unless paid) as part of the trust estate, without impairment of the lien of such bonds and as additional security under this indenture and upon the trusts herein declared subject, however, to Article Six.

Stamping of bonds delivered to Corporate Trustee.

Every of said bonds or obligations which shall be so delivered to the Corporate Trustee shall (unless paid) be stamped with the words,

"Not negotiable. Held in trust for the purposes declared in the Prior Lien Mortgage of Missouri-Kansas-Texas Railroad Company, dated January 1, 1922."

Underlying bonds redeemed by sinking funds.

Whenever any of the underlying bonds or notes which shall have been so delivered to the Trustee shall be redeemed or paid by means of a sinking fund provided for by the mortgage or other instrument securing such bonds or notes, any amounts received by the Trustee in respect thereof shall be paid to the Railroad Company.

\$10,000,000 issuable on order of Reorganization Managers,

SECTION 3. \$10,000,000 face amount of Prior Lien Bonds of any series (one or more) as may be designated by the Railroad Company, carrying interest from January 1, 1922, shall be authenticated and delivered by the Corporate

Amount.
2,799,000
5,168,000
2,310,000
883,000
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Trustee on the order of the Railroad Company with-
out any further action on the part of the Railroad Com-
pany to J. & W. Seligman & Co. and Halgarten & Co., said
Reorganization Managers.

The Railroad Company covenants that said bonds or
their proceeds shall be used by the Reorganization Man-
agers solely for some purpose for which the Reorgani-
zation Managers are authorized under said Plan and
Agreement of Reorganization to use the same and shall
be so used subject to all the terms and conditions of said
Plan and Agreement of Reorganization.

—to be used for
purposes of Plan
and Agreement of
Reorganization.

Any Prior Lien Bonds which, after all the Prior Lien
Bonds reserved under Section 4 of this Article shall have
been issued, shall not have been delivered in pursuance of
this Section 3, or, in the judgment of the Board of Directors
of the Railroad Company, to be expressed by a resolution of
said Board, shall no longer be required to be held for use
pursuant to this Section 3, may be authenticated and deliv-
ered and issued in accordance with the provisions of said
Section 4.

SECTION 4. The residue of the Prior Lien Bonds not re-
served for authentication and delivery under the preceding
sections of this Article Two, viz.: \$140,699,991, face amount, of
the Prior Lien Bonds shall, from time to time, be authenticated
by the Corporate Trustee and delivered to the Railroad Com-
pany, or upon its order, only for some one or more of the
purposes hereinafter in this Section 4 stated.

\$140,699,991 issuable
from time to time
for certain stated
purposes.

A company, the majority of the capital stock of which
shall be owned by the Railroad Company or be pledged or
assigned under this indenture, is hereinafter termed a con-
trolled company of the Railroad Company, and a company,
the majority of the capital stock of which shall be owned by
some controlled company of the Railroad Company, is here-
inafter termed a subsidiary company of the Railroad Com-

Definition of
"controlled
company."

—of "subsidiary
company."

pany and a controlled company of the company by which a majority of its capital stock is directly held.

Purposes stated.

The purposes for which the Prior Lien Bonds reserved under this Section 4 may be authenticated and delivered are the following:

Clause I. The acquisition, by construction or purchase, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of other lines of railway, branches or extensions, and terminals, including warehouses, elevators, motor or water transportation lines and other terminal facilities.

Clause II. The acquisition, by merger or consolidation, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of other lines of railway.

Clause III. The acquisition, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of the capital stock and/or the bonds or other indebtedness of corporations owning other lines of railway.

Clause IV. The acquisition

(a) by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of capital stock of corporations owning, or formed to own and operate, terminals, including union depots and stations or other terminal facilities which, when constructed, the company making such acquisition shall have the right to use, or the capital stock of bridge companies, elevator companies, transfer companies, warehouse companies, storage companies, motor or water transportation companies and steamship companies;

(b) by the Railroad Company or by any con-

trolled company or subsidiary company of the Railroad Company, of bonds or other indebtedness of corporations of the character described in sub-clause (a) of this Clause IV;

(c) by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of the physical properties of any corporation of the character described in sub-clause (a) of this Clause IV.

Clause V. The construction, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of additional second, third or fourth main track on any of the lines of railway then subject to this indenture or on any line of railway then owned by such controlled company or subsidiary company of the Railroad Company.

Clause VI. The reduction of grades or changes of line upon or in respect of any lines of railway then subject to this indenture or owned by any controlled company or subsidiary company of the Railroad Company; and the construction of bridges or tunnels by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company.

Clause VII. The purchase, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of additional real property for use in connection with the operation or business of any of the lines of railway then subject to this indenture or owned by any such controlled company or subsidiary company; the permanent improvement of such real property, or other real property owned by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company; the construction, purchase or acquisition, by the Railroad Company

or by any such controlled company or subsidiary company, of yards, shops, depots, warehouses, water facilities, fuel stations, elevators, and other structures which shall be required or be useful or convenient in the operation and business of any of the lines of railway then subject to this indenture or of such controlled company or subsidiary company, and the making, construction or purchase, by the Railroad Company or by any such controlled company or subsidiary company, of additions, or the making of any improvements and betterments, to and of any of the lines of railway and property then subject to this indenture or of such controlled company or subsidiary company, which under the rules of the Interstate Commerce Commission or other Federal Commission having like powers from time to time in force are properly chargeable to capital account.

Clause VIII. The purchase or construction, by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company, of rolling stock or equipment (including floating equipment) for use on or in connection with any lines of railway then subject to this indenture or on or in connection with any lines of railway owned by any such controlled company or subsidiary company of the Railroad Company, making such acquisition by purchase or construction and whether or not such purchase or acquisition shall be direct or under some equipment trust agreement (which term, wherever used in this indenture, shall be deemed to include all agreements, in whatever form, for the conditional purchase and sale of equipment or for the purchase of equipment on credit).

Clause IX. The refunding, discharge, payment, purchase or acquisition of

(a) liens or charges, existing at the date of the execution and delivery of this indenture, prior to the lien of this indenture on any lines of railway, equip-

ment or other property then owned by the Railroad Company or liens or charges existing at said date on any line of railway, equipment or other property then owned by any controlled company or subsidiary company of the Railroad Company; or

(b) liens or charges on any lines of railway, equipment or other property acquired after the execution and delivery of this indenture by the Railroad Company or by any controlled company or subsidiary company of the Railroad Company (other than lines of railway, equipment or other property acquired from the Railroad Company or from some controlled company or subsidiary company of the Railroad Company) existing at the time of such acquisition or created in connection with such acquisition, and prior to the lien of this indenture on any such lines of railway, equipment and property, if this indenture shall be a lien thereon.

Section 5. Prior Lien Bonds reserved under Section 4 Article Two shall be issued only at par and subject to the provisions and restrictions hereinafter prescribed in Section 5:

Restrictions on
issue of bonds
under Section 4.

Bonds for purposes specified in Clauses I, II, III, IV, V, VI, VII, VIII and IX of Section 4 of this Article may be authenticated and delivered to the extent of not exceeding \$25,000,000, face amount, for the actual cost of any acquisition or construction within the terms of Section 4 and beyond that amount of bonds for the actual cost of any such acquisition or construction.

Section 6. A. The Railroad Company shall have the right at any time or from time to time to sell for cash any of the Prior Lien Bonds reserved under the provisions of the Section 4 of this Article Two or at any time thereafter to authenticate and delivery for any of

Issue against
deposit of money.

the purposes in said Section 4 set forth, on such terms, and at such prices, as may be approved by the Board of Directors of the Railroad Company; and upon deposit with the Corporate Trustee, as hereinafter provided, of an amount in money equal to the net proceeds of sale (exclusive of accrued interest), and upon delivery to the Corporate Trustee of

Instruments to be delivered to Corporate Trustee, - resolutions of Directors,

(a) a copy of a resolution or of resolutions of the Board of Directors of the Railroad Company, certified under its corporate seal by its Secretary or an Assistant Secretary, authorizing the sale of a specified amount of Prior Lien Bonds, at specified prices, and requesting the Corporate Trustee to authenticate and deliver such amount of Prior Lien Bonds;

- certificate in respect to authorization of issue by public service commissions,

(b) a certificate or opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company that, except as therein may be specified, no authorization of the issue of such bonds at the time is required by law to be given by any public service or public utilities commission, railroad commission or other governmental body having jurisdiction in the premises, and, if such certificate or opinion shall specify any governmental body whose authorization of the issue of such bonds is required, a copy, authenticated in such manner as may be satisfactory to the Corporate Trustee, of the order or certificate authorizing the issue of such bonds, made or given by the governmental authority specified in such certificate or opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company, and the certificate or opinion of said Counsel, General Counsel or Assistant Counsel that such order or certificate is sufficient authorization for such issue; and

-certificate of proceeds of sale.

(c) a certificate signed by the President or a Vice-President, and by the Comptroller, Auditor or Treasurer of the Railroad Company, certifying that the net

proceeds of the sale of such Prior Lien Bonds were as stated in such certificate,

the Corporate Trustee shall authenticate and deliver such bonds so sold to the Railroad Company, or upon its order. The moneys so deposited are hereinafter sometimes called deposited moneys, and shall be held by the Corporate Trustee until paid out from time to time as hereinafter provided.

B. The deposited moneys shall be paid out and applied, and (except against the deposit of moneys as in the foregoing Subsection A of this Section 6 provided) Prior Lien Bonds reserved for the purposes in Section 4 of this Article Two set forth, shall be authenticated and delivered, only upon and subject to the following further conditions and restrictions, viz.:

Payment of deposited moneys and issue of bonds without deposit of moneys.

1. There shall in every case be delivered to the Corporate Trustee the following instruments:

Instruments to be delivered to Corporate Trustee.

(a) A copy of a resolution or of resolutions of the Board of Directors of the Railroad Company, certified under its corporate seal by its Secretary or an Assistant Secretary, requesting the Corporate Trustee to authenticate and deliver a specified amount of Prior Lien Bonds, or to pay out a specified amount of deposited moneys to reimburse expenditures, for one or more of the purposes for which such bonds are so reserved; a certificate or opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company, that, except as therein may be specified, no authorization of the issue of such bonds at the time is required by law to be given by any public service or public utilities commission, railroad commission or other governmental body having jurisdiction in the premises, and, if such certificate or opinion shall specify any governmental body whose authorization of the issue of such bonds is required, a copy, authenticated in such manner as may be satisfactory to the Corporate Trustee, of the

—resolutions of directors.

—certificate in respect to authorization of issue by public service commissions.

order or certificate authorizing the issue of such bonds, made or given by the governmental authority specified in such certificate or opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company and the certificate or opinion of said Counsel, General Counsel or Assistant Counsel that such order or certificate is sufficient authorization for such issue.

— certificate of
expenditure,

(b) A certificate signed by the President or a Vice-President and also by the Comptroller, Auditor or Treasurer of the Railroad Company, setting forth that stated expenditures were made at the times specified, on account of one or more of said purposes and by or for account of the Railroad Company or by or for account of some controlled company or subsidiary company of the Railroad Company, and, if by or for account of some controlled company or subsidiary company of the Railroad Company, the name of such controlled company or subsidiary company, and whether, under any mortgage or other charge on the property of such controlled company or subsidiary company, bonds or obligations may be authenticated and delivered in respect of the expenditures by such controlled company or subsidiary company or for its account forming the subject of such certificate, and in what amount, specifying, if bonds or obligations of different classes may be issued, the character of such obligations, or if and to the extent that bonds or obligations may not be authenticated and delivered under any such mortgage or charge in respect of such expenditures, the character of the obligation or obligations of such controlled company or subsidiary company issued by it to the Railroad Company in respect of such expenditures and which shall be not less in face amount than the face amount of Prior Lien Bonds, the authentication and delivery of which is sought or the payment

of the proceeds of sale of which out of the deposited moneys is sought; and stating, as the case may be:

(1) the general description and location and the mileage of the lines of railway, branches or extensions, lines of motor or water transportation, terminals and terminal facilities constructed or under construction, or acquired, and the expenditures made therefor, and whether said lines of railway, branches, extensions, lines of motor or water transportation, terminals or terminal facilities are known or believed to be subject to any lien or charge other than undetermined liens or charges incident to construction, in each instance specifying the character of any such lien or charge, the amount of each thereof, including any and all deferred instalments of the purchase price, and also the amount or amounts of any bonds or obligations unissued but authorized to be issued under the terms of any mortgage or other instrument constituting such lien; or

(2) the capital stock, bonds or other indebtedness acquired of corporations owning lines of railway and the expenditures made for such acquisition, the amount of the authorized capital stock of the corporation stock of which shall be so acquired, the amount of the capital stock thereof issued, and the general location and description and the mileage of the lines of such company, and whether such lines are known or believed to be subject to any lien or charge other than undetermined liens or charges incident to construction, in each instance specifying the character of any such lien or charge, the amount of each thereof, and the amount or amounts of any bonds or obligations unissued but authorized to be issued under the terms of any mortgage or other instrument constituting such lien; or

(3) the physical properties acquired, or the capital stock or bonds or other indebtedness acquired, of corporations owning, or formed to own and operate, terminals, including union depots and stations or other terminal facilities, or of bridge companies, elevator companies, transfer companies, warehouse companies, storage companies, motor or water transportation companies, or steamship companies, and the expenditures made therefor, the amount of the authorized capital stock of such corporations, the amount of capital stock thereof issued and the general description and location of the properties of such companies, and whether such properties are known or believed to be subject to any lien or charge other than undetermined liens or charges incident to construction, in each instance specifying the character thereof, the amount of each such lien or charge, and also the amount or amounts of any bonds or obligations unissued but authorized to be issued under the terms of any mortgage or other instrument constituting such lien; or

(4) the general character and location of the additional second, third or fourth main track constructed or under construction, and the expenditures made therefor; or

(5) the general description and location of the grades reduced, or changes of line made, or the general character and location of the bridges or tunnels constructed or under construction, and the expenditures made therefor; or

(6) the general character and location of the real property, yards, shops, depots, warehouses or other structures purchased, permanently improv-

ed, or constructed or under construction, or acquired, and the expenditures made therefor; or

(7) the general character and location of the other additions, improvements or betterments made, purchased or constructed or under construction, and the expenditures made therefor; or

(8) the number and character of the engines, cars, or other rolling stock or equipment purchased or constructed, specifying the same by manufacturers' names and by marks and numbers, and the expenditures made therefor, and whether such equipment is known or believed to be subject to any lien or charge other than undetermined liens or charges incident to construction, in each instance specifying the character of any such lien or charge and the amount of each thereof, including any and all deferred instalments of the purchase price; or

(9) the liens or charges refunded, discharged, paid, purchased or acquired, the expenditures made therefor, the general description and location of the lines of railway, equipment or other property subject, or formerly subject, to such liens or charges, whether such lines of railway, equipment, or other property, as the case may be, are owned by the Railroad Company or by some controlled company or subsidiary company of the Railroad Company, and whether such liens or charges existed at the date of the execution and delivery of this indenture, or, if not, whether such liens or charges constituted liens or charges on lines of railway, equipment or other property acquired after said date, existing at the time of such acquisition or created in connection with such acquisition.

Such certificate shall also set forth in each case that the expenditures forming the subject of such certificate were not in excess of the fair value and actual cost, including interest, of such property, or of such work, or of such additions, improvements, or betterments, or of the actual cash contribution of the Railroad Company to the cost, including interest, of purchasing, constructing or otherwise acquiring such property, terminals, including union depots or stations or other terminal facilities, as the case may be: and that none of such expenditures were included in any expenditures previously charged or reported in any annual or other report of the Railroad Company, or of the company by or for whose account such expenditures were made, as having been charged to operating expenditures or other cost of maintenance, or were such as shall, at the time, be properly chargeable to the repair, maintenance, depreciation or renewal account, under the regulations in that behalf of the Interstate Commerce Commission or other Federal Commission having like powers, and that no portion of the expenditures so certified has been included in any certificate previously furnished to the Corporate Trustee under this indenture, or made or reimbursed or provided for out of any bonds or moneys under any other provision of this indenture, or under any provision of any mortgage or other instrument constituting a lien upon any of the railroads, equipment, property or franchises at the time subject to this indenture. Such certificate shall also set forth any other matters pertinent to the right of the Railroad Company to obtain the authentication and delivery by the Corporate Trustee of Prior Lien Bonds under any of the provisions of this Section 6.

-- instruments of
further assurance,

(c) All such deeds, conveyances or instruments of

further assurance, and such evidence of any filing or record thereof, as may be necessary for the purpose of effectually subjecting to the lien and operation of this indenture any new property constructed or acquired by the Railroad Company; but any new property constructed or acquired by the Railroad Company shall, upon the construction or acquisition thereof, forthwith become and be subject to the lien and operation of this indenture.

In case of the authentication and delivery of Prior Lien Bonds or the payment of deposited moneys in respect of expenditures made by or for account of any company other than the Railroad Company, there shall be delivered to the Corporate Trustee all bonds or obligations then issued or issuable in respect of such expenditures under any mortgage or other charge on the property of such company, and, if bonds or obligations of more than one class are so issuable, of the class having the best lien so far as available; and if and to the extent that bonds or obligations may not be authenticated and delivered under any such mortgage or other charge in respect of such expenditures, the obligation or obligations of such controlled company or subsidiary company issued by it to the Railroad Company in respect of such expenditures; but the bonds or obligations, whether secured or unsecured, delivered to the Corporate Trustee shall be not less in face amount than the face amount of Prior Lien Bonds, the authentication and delivery of which is sought, or the payment of the proceeds of sale of which out of the deposited moneys is sought: and if any secured bonds or obligations shall thereafter become issuable in respect of such expenditures, the Railroad Company covenants to deliver the same to the Corporate Trustee forthwith on the issue thereof against the cancellation and surrender

—bonds or obligations and stock of controlled or subsidiary companies,

of a like face amount of the unsecured obligations previously delivered.

Together with such certificates and statements there shall be delivered to the Corporate Trustee the certificates for any shares of stock and any bonds or other obligations, securities or evidences of indebtedness, including equipment trust notes, acquired by the Railroad Company or to which it may have become entitled.

--opinion of
counsel.

(d) An opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company that the purposes for which such Prior Lien Bonds are to be authenticated, or deposited moneys paid, are purposes for which such bonds may lawfully be issued; and that such deeds, conveyances or instruments of further assurance are valid and sufficient for the purpose of effectually subjecting to the lien and operation of this indenture any property so constructed or acquired by the Railroad Company, or that no such deeds, conveyances or instruments of further assurance are necessary; and, as the case may be, that the Railroad Company has good title to such railroads, branches, extensions, lines of motor or water transportation, terminals and terminal facilities, or real estate, or, as the case may be, to such property formerly of some corporation of the character described in sub-clause (a) of Clause IV of Section 4, and that the same are free from any mortgage or other lien prior to the lien of this indenture, except such liens or charges as are specified in the certificate furnished under the foregoing sub-clause (b) of Clause B of this Section 6 and except undetermined liens or charges incident to construction: or that the Railroad Company has good title to such rolling stock or other equipment, and that this indenture, and any instruments supplemental hereto and specified in such opinion, are duly recorded and

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filed, and constitute a first lien thereon; or, in case of equipment subject to an equipment trust agreement, that such equipment is free from any mortgage or other lien, except such liens or charges as are specified in the certificate furnished under the foregoing subclause (b) of Clause B of this Section 6, and except undetermined liens or charges incident to construction, and that on the completion of the payments called for by such equipment trust agreement, the Railroad Company will acquire good title to such equipment free from any lien thereon prior to the lien of this indenture; or that the Railroad Company has good title to such structures, additions, improvements or betterments, as the case may be, and that the same are free from any mortgage or other lien prior to the lien of this indenture, except undetermined liens or charges incident to construction unless it be the lien of some one or more mortgages existing at the date hereof and subject to which this mortgage is expressed to be made or specified in Section 2 of this Article Two, and that, in such case, this indenture, and any instruments supplemental hereto and specified in such opinion, are duly recorded and filed and constitute a lien thereon subject to the lien of such mortgage or mortgages; or, in the case of lines of railway acquired by the Railroad Company by purchase or by merger or consolidation, an opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company that the Railroad Company, or the company resulting from such consolidation, has good title to the same and that the same are free from any mortgage or other lien prior to the lien of this indenture, except liens or other charges specified in the certificate furnished under the foregoing subclause (b) of Clause B of this Section 6 and existing thereon at the time of such acquisition thereof, and that

this indenture, and any instruments supplemental hereto and specified in such certificate, are duly recorded and constitute a lien thereon; or, in the case of the acquisition of the stock or bonds or other obligations or of the indebtedness of other corporations, that the Railroad Company is lawfully empowered to acquire, own and hold such stock, bonds, obligations or indebtedness and evidences of indebtedness; or that the liens or charges refunded, discharged, paid, purchased or acquired constituted liens or charges on lines of railway, equipment or other property theretofore owned by the Railroad Company or by some controlled company or subsidiary company of the Railroad Company, prior to the lien of this indenture on any such lines of railway, equipment or other property on which this indenture is a lien; or an opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company, in case the subject of any certificate furnished to the Corporate Trustee under the foregoing sub-clause (b) of Clause B of this Section 6 be expenditures by or for account of some other company, that such company has good title to such railroads, branches, extensions, lines of motor or water transportation, terminals and terminal facilities, or real estate, or, as the case may be, to such property formerly of some corporation of the character described in sub-clause (a) of Clause IV of Section 4, or to such structures, additions, improvements or betterments, as the case may be, and that the same are free from any mortgage or other lien except as stated in said certificate; or, as the case may be, that such company has good title to such rolling stock or other equipment, or, in case of equipment subject to an equipment trust agreement, that on the completion of the payments called for by such equipment trust agreement, such company will acquire good title to such equipment, and that

such equipment is free from any mortgage or other lien, except as stated in said certificate; or, as the case may be, that the liens or charges discharged or paid by or for account of such company constituted liens or charges on property owned by such company; that such company is not entitled under any mortgage or mortgages to the authentication and delivery of bonds or obligations in respect of such expenditures, or, if so entitled, then that such company is so entitled, under the mortgage or mortgages, in the amounts, at the times and otherwise in accordance with the statements in that behalf of such certificate, and that such mortgage or mortgages have been duly recorded, and constitute, or, on the issue of such bonds or obligations, will constitute, valid liens on the subject matter of such expenditures.

C. The Corporate Trustee may receive the certificate of the Secretary or an Assistant Secretary of the Railroad Company, under the corporate seal of the Railroad Company, as conclusive evidence of the adoption by the Board of Directors of the Railroad Company of any of the resolutions hereinbefore provided for. The same officers of the Railroad Company need not certify to all the facts required to be certified to under the provisions of this Section 6, but different officers may, and whenever required by the Corporate Trustee shall, certify to separate facts. The resolutions, opinions, statements and certificates so required or provided for by any provision of this Section 6 to be delivered to the Corporate Trustee as a condition of the authentication of bonds or payment of deposited moneys hereunder may be received by the Corporate Trustee as conclusive evidence of any statement therein contained pertaining to its right or duty to authenticate and deliver bonds or to pay deposited moneys pursuant to this Section 6, and shall be full warrant, authority and protection to the Corporate Trustee, acting on the faith

Certificates conclusive evidence to Corporate Trustee.

thereof for the authentication and delivery by it of such bonds or the payment of such deposited moneys.

Authentication of bonds and payment of deposited moneys.

D. Upon the delivery to the Corporate Trustee, in accordance with the requirements of this Section 6, of all the instruments required to be delivered for the purpose of authorizing the authentication and delivery of bonds for purposes specified in Clauses I, II, III, IV, V, VI, VII, VIII and IX of Section 4 of this Article Two, and of all such further assurances and conveyances, if any, as shall be required by it as aforesaid, and of all certificates of stock, bonds or obligations or evidences of indebtedness required to be delivered for such purpose, accompanied in the case of delivery of stock or bonds or obligations or evidences of indebtedness by the opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company either that no authorization of the issue of such stock or bonds or obligations or evidences of indebtedness is required to be given by any public service or public utilities commission, railroad commission or other governmental body having jurisdiction in the premises or that the issue of such stock or bonds or obligations or evidences of indebtedness has been duly authorized by the proper governmental body or bodies having jurisdiction in the premises, specifying the governmental body or bodies by which such authorization has been given, the Corporate Trustee shall authenticate and thereupon deliver to the Railroad Company, or upon its order, Prior Lien Bonds to the amount which shall be sufficient to provide to the extent stated in Section 5 of this Article Two for the expenditures certified to have been made as aforesaid, or the greatest multiple of \$1,000 contained in such amount; or shall pay to the Railroad Company at the election of the Railroad Company deposited moneys in respect of the expenditures so certified.

Trustees not to pay out more than proceeds of sale of bonds.

E. In making payments out of the deposited moneys in pursuance of any of the provisions of this Section 6, the

Trustees shall not in any event pay out more than the proceeds of sale, in the hands of the Trustees, of bonds to the amount to the authentication and delivery of which the Railroad Company would have been entitled, if the Railroad Company had sought reimbursement in Prior Lien Bonds.

F. The Trustees shall not be concerned with, or be accountable to any one for, the use or application by the Railroad Company of any of the Prior Lien Bonds authenticated and delivered by the Corporate Trustee to the Railroad Company or of any of the deposited moneys paid by it to the Railroad Company pursuant to any of the provisions of this Article Two.

Trustees not responsible for application of bonds or of deposited moneys.

SECTION 7. Whenever the terms of any section of this Article Two require an order or request of the Railroad Company to be delivered to the Corporate Trustee for the purpose of obtaining the authentication and delivery of Prior Lien Bonds, such order or request shall be sufficient if signed on behalf of the Railroad Company under its corporate seal by the Chairman of its Board of Directors or its President or a Vice-President or by some other officer of the Railroad Company appointed for the purpose, and also by its Secretary or an Assistant Secretary or its Comptroller or Auditor or its Treasurer or an Assistant Treasurer, and if it shall state the principal amount of bonds to be delivered, the series, the section of this Article Two under which such bonds are included, and the person or persons to whom, or the firm or corporation to which, such bonds are to be delivered.

Firm of orders from Railroad Company.

SECTION 8. Except as and when in this indenture otherwise expressly provided, the Trustees, and each of them, shall be entitled to act and rely upon any copy of resolution, certificate, order, request, direction, or other instrument, by the Railroad Company delivered to the Trustees, or either of them, when the same is certified or signed by the Secretary or an Assistant Secretary of the Railroad Company under its

Trustees protected.

corporate seal, and shall be fully protected in respect of any and all acts done or action taken or suffered by them, or on their behalf, in reliance thereon; and every such copy of resolution, certificate, order, request, direction or other instrument, thus certified or executed, shall be, at all times and in all places, conclusively taken and held to be the act and deed of, and binding upon, the Railroad Company.

Further proof may
be required by
Corporate Trustee.

SECTION 9. Notwithstanding any provision in this Article Two or elsewhere in this indenture contained, declaring or to the effect that the Corporate Trustee may accept or rely upon a resolution, statement, certificate or opinion as sufficient or conclusive evidence of any fact or matter of opinion, or otherwise, and that the same shall be full warrant, authority and protection to the Corporate Trustee, acting on the faith thereof, or of similar import, the Corporate Trustee may, in its discretion and at its option, require the Railroad Company to furnish further proof, and, if further proof satisfactory to the Corporate Trustee be not furnished within the time fixed therefor by the Corporate Trustee, the Corporate Trustee may proceed to make an independent investigation into the truth or accuracy of any such fact or opinion, and, in case it shall after such independent investigation be satisfied that such certificate, opinion, statement or resolution, or any statement of fact contained therein is inaccurate, the Corporate Trustee may in its discretion take, refuse to take, or refrain from taking all or any action predicated thereupon. Such investigation shall be made at the expense of the Railroad Company and in such manner as the Corporate Trustee may determine; and the Corporate Trustee shall have power to employ counsel, engineers, accountants and other experts for the purpose of making such investigation and shall be fully protected as to anything done or suffered by it in reliance upon any opinion or report made to it in the premises.

Issue against sur-
render and cancel-
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SECTION 10. At any time and from time to time (but subject to the provisions of Section 12 of this Article Two), the

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Railroad Company, on or after the surrender to the Corporate Trustee and cancellation of the bonds of any series previously authenticated hereunder or of any of such bonds, in every case with all unmatured coupons thereto appertaining, may make and deliver to the Corporate Trustee and thereupon, in accordance with the written request of the Railroad Company, the Corporate Trustee shall authenticate, and on the written order of the Railroad Company deliver in exchange for the bonds so canceled, a like aggregate principal amount of Prior Lien Bonds, of any form, with any date or dates of maturity, containing any provisions and bearing any rate of interest authorized by this indenture, and of any series then existing or then constituted. The Corporate Trustee shall deliver the bonds and coupons canceled to the Railroad Company on its written order.

SECTION 11. Whenever any series of Prior Lien Bonds at the time outstanding shall be about to mature or the Railroad Company shall have called for redemption any Prior Lien Bonds at the time outstanding (but subject to the provisions of Section 12 of this Article Two), the Corporate Trustee shall authenticate and deliver to the Railroad Company or on its written order Prior Lien Bonds for a face amount not exceeding the face amount of the bonds so about to mature or called for redemption, upon the surrender to the Corporate Trustee of such bonds with all unmatured coupons or the deposit with the Corporate Trustee of an amount in money equal to the face amount, or the redemption price (exclusive of accrued interest), as the case may be, of the bonds not so surrendered and making provision satisfactory to the Corporate Trustee for the payment of interest on the bonds about to mature to the date of maturity or on the bonds to be redeemed to the date of redemption. The Prior Lien Bonds so authenticated and delivered may, as may be requested by the Railroad Company, be of any of the forms, have any date or dates of maturity, contain any provisions and

Issue against bonds
matured or
redeemed.

bear any rate of interest permitted by this indenture and be of any series then existing or then constituted. Upon delivery thereafter from time to time to the Corporate Trustee, for cancellation, of any of the bonds so paid or redeemed, the Corporate Trustee shall repay to the Railroad Company out of the moneys deposited with the Corporate Trustee the face amount, or the redemption price (exclusive of accrued interest), as the case may be, of the bonds so surrendered. All bonds so surrendered to the Corporate Trustee, shall, if not already canceled, be canceled by it, and all said surrendered bonds when canceled shall, on the written order of the Railroad Company, be delivered to the Railroad Company.

Bonds not to be issued against bonds converted into stock or retired through sinking fund.

SECTION 12. No Prior Lien Bonds shall be authenticated or delivered or moneys paid under the provisions of Section 10 and Section 11 of this Article Two in respect of convertible bonds which shall have been converted into stock of the Railroad Company nor in respect of bonds which shall have been purchased, paid or retired through the operation of a sinking fund created for that purpose or by the application thereto of moneys required or authorized by any provision of Article Six or of Article Ten to be applied to the redemption of Prior Lien Bonds.

But upon such conversion or retirement equivalent amount issuable for purposes of Section 4.

SECTION 13. Whenever any convertible Prior Lien Bonds shall be converted into stock of the Railroad Company or any Prior Lien Bonds shall have been purchased, paid or retired through the operation of a sinking fund created for the purpose or by the application thereto of moneys required or authorized by any provision of Article Six or of Article Ten to be applied to the redemption of Prior Lien Bonds, the bonds so converted, purchased, paid or retired shall be surrendered to the Corporate Trustee for cancellation, together with all unmatured coupons, and at any time thereafter the Railroad Company may make and deliver to the Corporate Trustee and the Corporate Trustee from time to time shall authenticate

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and deliver at par Prior Lien Bonds to a like or equivalent aggregate principal amount for any of the purposes stated in Section 4 of this Article Two.

Such Prior Lien Bonds may be of any form, have any date or dates of maturity, contain any provisions and bear any rate of interest permitted by this indenture and be of any series then existing or then constituted. They may be so authenticated and delivered to reimburse in full, without limitation as to their amount, expenditures not otherwise reimbursed, made by the Railroad Company after such conversion, purchase, payment or retirement and the cancellation by the Corporate Trustee of the bonds so converted, purchased, paid or retired, for any of the purposes specified in Section 4 of this Article Two, and without affecting the right of the Railroad Company to obtain the authentication and delivery of bonds reserved under said Section 4 in respect of expenditures not otherwise reimbursed, and shall be authenticated and delivered only in accordance with Section 6 of this Article Two, and, except as aforesaid, subject to the restrictions of said Section 6.

ARTICLE THREE.

SUPPLEMENTAL INDENTURES.

SECTION 1. The Railroad Company, when authorized by resolution of its Board of Directors, and the Trustees, from time to time and at any time, subject to the restrictions in this indenture contained, may, and when so required by this indenture shall, enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes:

Purposes for which supplemental indentures may be executed,

(a) to convey, transfer and assign to the Trustees and expressly to subject to the lien of this indenture, with the same force and effect as though included in the Granting Clauses, lines of railway and real property acquired by the Railroad Company through consolidation or

—further conversions and assurances,

merger, by purchase, or otherwise; and to convey, transfer and assign to the Trustees and expressly to subject to the lien of this indenture as aforesaid any lease or leasehold interest acquired by the Railroad Company of, in and to additional lines of railway and real property; and each such supplemental indenture shall specify and describe any mortgages or other liens on said lines of railway and property and state the amount of the bonds or other debt secured thereby; the Trustees shall be fully protected in accepting and entering into any supplemental indenture pursuant to this Clause (a) as aforesaid in reliance upon a certificate signed by the President or a Vice-President, and by the Chief Engineer, and by the Comptroller or other chief accounting officer, of the Railroad Company, stating such facts as may be pertinent to the right of the Trustees to accept and enter into such indenture;

—added limitations,

(b) to add to the limitations on the authorized issue and purposes of issue of bonds which under the provisions of this indenture may be issued for any of the purposes specified in Section 4 of Article Two, other limitations to be thereafter observed; to specify definitive limitations on the total authorized issue of bonds under this indenture or to add to the covenants and agreements of the Railroad Company for the protection of the bondholders and of the trust estate;

—to provide for bonds convertible into stock,

(c) to provide for the issue under this indenture of particular series of bonds convertible, at the option of the holders thereof, into the capital stock of the Railroad Company or a successor corporation, at such times and upon such terms and conditions as in such supplemental indenture and in the bonds of such particular series shall be stated;

—to provide for bonds expressed in foreign languages, etc.,

(d) to provide for the issue under this indenture of particular series of bonds expressed in foreign lan-

guages and payable in foreign countries and to prescribe the form thereof, provisions for the registration and transfer thereof and other regulations relating thereto;

(e) to provide a sinking fund for the redemption of all or any of the bonds of any particular series upon such terms and conditions as in such supplemental indenture shall be stated; --sinking fund.

(f) to evidence the succession of another corporation to the Railroad Company, or successive successions, and the assumption by a successor corporation of the covenants and obligations of the Railroad Company in the Prior Lien Bonds and in this indenture or any supplemental indenture contained; --successor corporation.

(g) to make such provision in regard to matters or questions arising under this indenture as may be necessary or desirable and not inconsistent with this indenture and which shall not impair or endanger the security of the same. --other matters.

SECTION 2. For the purposes of this indenture any such supplemental indenture shall be construed in connection with and as part of this indenture and the covenants thereof shall be deemed, as to the subject matter of such covenants, covenants of this indenture. Without prejudice to the foregoing, any supplemental indenture executed for the purposes specified in Clause (c) of Section 1 of this Article Three may constitute as an additional event of default under this indenture a default in the payment of an instalment of any sinking fund thereby created, continued for such period, if any, as may be therein provided and any supplemental indenture executed for the purposes specified in Clause (c) of Section 1 of this Article Three may constitute as an additional event of default under this indenture, the failure on the part of the Railroad Company to carry out any privilege or right of conversion granted to the holder or holders of any bonds by such supple- Construction of supplemental indentures. Additional events of default.

mental indenture and the continuance of such failure for such period, if any, as may be prescribed by such supplemental indenture.

Amount of bonds required to act in case of such additional events of default.

Unless otherwise provided in any such supplemental indenture, the Prior Lien Bonds outstanding, if either such additional event of default shall be constituted and shall occur, shall for the purposes of Section 4, Section 6 and Section 19 of Article Seven and of Clauses (d) and (e) of Section 1 of Article Eleven, be deemed the Prior Lien Bonds of the series for the retirement of which such sinking fund shall have been created or, as the case may be, of the series entitled to the privilege or right of conversion which the Railroad Company shall have failed to carry out, and whatever action it is in said Articles provided may or shall be taken by or upon the request of the holders of some specified percentage of bonds outstanding, in case of the happening of some event of default, or shall require the request for action on the part of the holders of some specified percentage of bonds outstanding, may or shall also be taken by or upon the request of the holders of the specified percentage of the bonds of the series in respect of which such additional event of default shall have happened, or shall require the request of the holders of the specified percentage only of the bonds of the series in respect of which such additional event of default shall have happened.

Trustees authorized to execute supplemental indentures.

The Trustees are authorized to join with the Railroad Company in the execution of any such supplemental indenture, to make the further agreements and stipulations which may be therein contained, and to accept the conveyance, transfer and assignment of such property thereunder. In case of the delivery of any such supplemental indenture or indentures, express reference thereto may be made in the text of the bonds of any series created thereafter.

Covenant to record supplemental indentures.

SECTION 3. The Railroad Company covenants that with all convenient speed after the execution thereof, it will cause each such supplemental indenture executed for the purposes

specified in Clause (a) of Section 1 of this Article Three to be duly recorded as a mortgage upon railways, or, as the case may be, upon real property, and each such supplemental indenture executed for any other purpose to be duly recorded in such place or places, if any, and in such manner, as the Corporate Trustee may in writing request; but the Corporate Trustee may authenticate and deliver any Prior Lien Bonds after any such supplemental indenture shall have been delivered prior to the recording thereof.

An executed counterpart of every such supplemental indenture shall be deposited with the Corporate Trustee.

ARTICLE FOUR.

REDEMPTION OF BONDS.

SECTION 1. The entire issue of Prior Lien Bonds or any series thereof, or any part of any series, may be paid off and redeemed, at the option of the Railroad Company, at any time, at the respective rates and prices prescribed in the bonds called for redemption, provided that notice of such election of the Railroad Company shall have been given by publication in a daily newspaper of general circulation in the Borough of Manhattan, in the City of New York, N. Y., once a week for four successive weeks, the first publication to be not less than sixty days nor more than ninety days prior to the designated redemption day, stating such election on the part of the Railroad Company and that the interest on the Prior Lien Bonds called for redemption shall cease on the designated redemption day, and requiring that the Prior Lien Bonds called for redemption be then presented for payment and redemption. If a part only of a series shall be called for redemption, the particular bonds to be redeemed shall, at the written request of the Railroad Company, be determined by lot in any manner deemed in its unrestricted discretion by the Corporate Trustee to be fair, and the published notice of call for redemption shall in that case specify

All or any part
redeemable.

Notice of
redemption.

Redemption of part
of a series only.

the numbers and series of the bonds to be redeemed. A similar notice will be sent by the Railroad Company, through the mails, postage prepaid, at least sixty days prior to such redemption day, to holders of registered bonds and to registered holders of coupon bonds whose addresses shall then appear upon the transfer register and whose bonds shall have been called for redemption. It shall not be required in case of partial redemption to mail such notice to the holder of any registered bond the endorsement on which shall bear the number of some coupon bond drawn for redemption. Notice having been so given by publication, the Prior Lien Bonds called for redemption shall, on the day designated in such notice, become due and payable at the respective rates and prices prescribed in the bonds, with the accrued interest thereon to the date of redemption so designated; and from and after the date of redemption so designated, interest on the Prior Lien Bonds so called for redemption shall cease and, on presentation in accordance with said notice at any of the places at which the same may be expressed to be payable, of such Prior Lien Bonds, with all coupons maturing on and after said redemption day, said bonds shall be paid by the Railroad Company, at the rate aforesaid, with accrued interest to such redemption day. If not so paid on presentation thereof said Prior Lien Bonds shall continue to bear interest at the rate expressed therein until payment. If, in case of partial redemption, there shall be drawn for redemption one or more, but less than all, of the coupon bond serial numbers endorsed upon a registered bond without coupons, then, upon presentation of such registered bond, the amount payable in respect of the coupon bond or bonds the number or numbers of which were so drawn for redemption, shall be paid to the registered owner of such bond, or upon his order, and the Railroad Company shall sign and seal and the Corporate Trustee shall thereupon authenticate and deliver to the registered owner thereof, or upon his order, and at the expense of the Railroad Company, a new bond or bonds for the amount of said surrendered registered bond less the principal amount so paid.

Interest to cease.

Redemption of part
of coupon bonds
reserved against
a registered bond.

SECTION 2. On the deposit with the Corporate Trustee of Release of Hen. the amount necessary to redeem all outstanding Prior Lien Bonds, together with proof, by affidavit or otherwise, that said notice of redemption has been given by publication, and on payment to the Trustees of all costs, charges and expenses in relation thereto or otherwise payable to the Trustees, the Trustees, but only at the written request of the Railroad Company, shall cancel and satisfy this indenture and assign or cause to be assigned and shall deliver to the Railroad Company the bonds and other evidences of debt and stock and other property pledged hereunder; provided, however, that if any such stocks or bonds or any evidences of debt or any such other property shall have been delivered to the Trustees by any person or corporation, as provided for in Clause Ninth of the Granting Clauses of this indenture, the same shall be assigned or delivered or otherwise disposed of in accordance with any reservations, limitations, conditions or provisions which may have been set forth in the instrument in writing then executed, if any, respecting the use, management and disposition of such bonds, stocks or evidences of debt or other property. The Corporate Trustee shall apply the moneys so deposited with it to the payment of the Prior Lien Bonds at the rates aforesaid, with accrued interest to the day designated for redemption. All Prior Lien Bonds redeemed and paid hereunder shall be canceled.

ARTICLE FIVE.

PARTICULAR COVENANTS OF THE RAILROAD COMPANY.

The Railroad Company covenants with the Trustees as hereinafter in this Article set forth:

SECTION 1. Duly and punctually the Railroad Company To pay principal and interest. will pay the principal and the interest of every of the Prior Lien Bonds, at the dates and the places and in the manner mentioned in the Prior Lien Bonds or in the coupons thereto belonging, according to the true intent and meaning thereof.

deductions for
taxes.

and if the Railroad Company shall have so agreed in any of the Prior Lien Bonds, without deduction from either principal or interest of such bonds for any tax, assessment or governmental charge which the Railroad Company, or the Trustees or either of them, may be required to pay, or to retain therefrom, under or by reason of any present or future law of the United States of America, or of any state, county, municipality or other taxing authority therein and without deduction for which the Railroad Company may by such bonds have agreed to make payment. The Railroad Company hereby assumes the payment of all taxes, assessments and governmental charges without deduction for which the Railroad Company may by such bonds have agreed to make payment. The interest on the coupon bonds shall be payable only upon presentation and surrender of the several coupons for such interest as they respectively mature, and, when paid, such coupons shall forthwith be canceled. The interest on the registered bonds without coupons shall be payable only to the registered holders thereof on the books of the Railroad Company.

Not to extend
interest.

In order to prevent any accumulation of coupons and claims for interest after maturity, 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 Prior Lien Bonds; and the Railroad Company will not, directly or indirectly, be a party to or approve of any such arrangement by purchasing or funding said coupons or claims for interest or in any other manner.

To maintain office
or agency in New
York.

At all times until the payment of the Prior Lien Bonds, the Railroad Company will keep an office or agency in the Borough of Manhattan, in the City of New York, where the Prior Lien Bonds and coupons may be presented for payment, and notices and demands in respect of the Prior Lien Bonds and coupons or under this indenture may be served; and will, by written notice, designate such office or agency to the Corporate Trustee, or will designate, by a written notice

to the Corporate Trustee, a bank or trust company in said Borough for such purposes. In default of keeping any such office or agency or of such designation thereof, presentation and demand may be made and notice served at the office, in said Borough of Manhattan, of the Corporate Trustee or of any successor to it in the trust.

SECTION 2. All railways, rolling stock, franchises, bonds, stocks, and other property of every kind, by this indenture covenanted to be conveyed or pledged or assigned to the Trustees under this indenture, or in respect of the construction or acquisition whereof Prior Lien Bonds under this indenture shall be authenticated and delivered as herein provided, and any of the bonds and obligations specified in Section 2 of Article Two of this indenture, at any time outstanding, which hereafter may be acquired by the Railroad Company, and any property at any time acquired by the Railroad Company and provided by this indenture to become subject hereto shall, immediately upon the acquisition thereof by the Railroad Company and without any further conveyance or assignment, become and be subject to the lien of this indenture as fully and completely as though now owned by the Railroad Company and specifically described in the Granting Clauses hereof; but at any and all times, the Railroad Company will make and deliver any and all such further assurances or conveyances or assignments thereof as the Corporate Trustee may reasonably direct or require, for the purpose of expressly and specifically subjecting the same to the lien of this indenture; and, also, the Railroad Company will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances in the law, for the better assuring, conveying, assigning and confirming unto the Trustees all and singular the hereditaments and premises, estates and property hereby conveyed or assigned, or intended so to be, or which the Railroad Company

After-acquired property subject to this indenture.

—further assurances.

may be, or hereafter become, bound to convey or assign to the Trustees, as the Corporate Trustee shall reasonably require.

Not to permit defaults under leases or trackage agreements.

SECTION 3. Subject to Article Ten, the Railroad Company shall not and will not suffer or permit any default wherefor any lessor (other than some controlled company or subsidiary company of the Railroad Company) may terminate any lease which, or the leasehold created under which, may be or become subject to the lien of this indenture, of any railways or franchises, or any default whereby any trackage rights, or rights of use and operation at any time subject to this indenture, or any agreement under or in pursuance of which such rights have been acquired or are or may be enjoyed by the Railroad Company, may be terminated (otherwise than as aforesaid by some controlled company or subsidiary company of the Railroad Company), if in either case the continuity of the main lines of railroad between the termini named in Section 2 of Article Ten shall be broken, and the Railroad Company in any event, so long as any of the Prior Lien Bonds remain outstanding, will, through the acquisition of adequate and proper trackage rights, or rights otherwise of use or operation, or by the construction or acquisition of additional lines of railroad or interests therein or control thereof, maintain, in the manner set forth in Section 2 of Article Ten, continuous main lines of railroad between the termini in said Section 2 named. Any line or lines so constructed or acquired by the Railroad Company forthwith shall become subject to this indenture. In case and whenever default, contrary to the terms of this covenant, shall be made in paying any sum stipulated to be paid in any such present or future lease, trackage contract or agreement, the Trustees, without affecting any of their rights hereunder, from time to time, in their discretion, may pay any sum so in default, and thereupon shall have, and forthwith may assert, a lien for such advances together with interest thereon at the rate of six per cent. per

To maintain continuous lines of railroad.

Trustees may pay amounts in default.

annum upon the trust estate and the proceeds thereof, which lien shall be entitled to priority in rank and to priority in payment from the trust estate over the Prior Lien Bonds.

SECTION 4. Except as otherwise by this indenture expressly authorized, the Railroad Company will not create, or suffer to be created, any debt, lien or charge (except equipment obligations issued for the purchase price of rolling stock and equipment, secured by an instrument of trust or conditional sale relating only to such rolling stock and equipment, or instruments of further assurance or security that may be required by the terms of some mortgage or deed of trust or other instrument then a lien on some part of the trust estate in priority to this indenture) which would be prior to the lien of this indenture upon the trust estate, or any part thereof, or upon the income thereof; and, within three months after the same shall accrue, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, all lawful claims and demands of mechanics, laborers and others which, if unpaid, might by law be entitled to precedence to this indenture as a lien or charge upon the trust estate or some part thereof, or the income thereof; provided 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 judgment of the Corporate Trustee, the security afforded by this indenture will be materially impaired or endangered.

Not to permit prior liens.

SECTION 5. 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 hereof) lawfully imposed upon the trust estate 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

To pay taxes.

—of controlled or
subsidiary
companies.

of the Trustees or either of them in respect of the trust estate or the income thereof, so that the lien and priority of this indenture shall be fully preserved at the cost of the Railroad Company without expense to the Trustees or the bondholders; and if any controlled company or subsidiary company of the Railroad Company, shall fail to pay any and all such taxes, assessments and charges lawfully imposed upon the property of such company or upon the income and profits thereof, then the Railroad Company will pay the same or will make adequate provision for the satisfaction or discharge thereof; provided, however, that the Railroad 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 Corporate Trustee, the security afforded by this indenture will be materially impaired or endangered.

To pay interest and
principal of under-
lying obligations.

SECTION 6. The Railroad Company will pay, or cause to be paid, the interest on every bond or obligation, not part of the trust estate, constituting a direct lien prior to this indenture, or secured directly, prior to this indenture, upon any part of the trust estate, as and when such interest shall become payable; and, when due, it will pay the principal of all said bonds and obligations, or cause the same to be taken up and pledged under this indenture.

To deliver assigned
stock and bonds.

SECTION 7. The Railroad Company shall and will, upon the discharge of all prior indentures under which they may be pledged, assigned or held, and to which they may be subject, forthwith deliver or cause to be delivered to the Corporate Trustee the shares of stock and bonds, evidences of indebtedness or other property specifically assigned to the Trustees by the Granting Clauses of this indenture or by the terms hereof becoming subject to the lien of this indenture and the Railroad Company authorizes and directs any pledgee

thereof, in trust or otherwise, on payment of such pledge to deliver the same to the Corporate Trustee.

SECTION 8. The Railroad Company shall and will, at all times, keep insured its rolling stock, tools and machinery, its buildings and all other structures erected or to be erected on the mortgaged premises, and all other property provided for use in connection with the railways and premises at any time subject to the lien of this indenture, usually insured by railroad companies, and in the same manner and to the same extent; and every of the controlled companies of the Railroad Company shall and will keep insured the property of such company usually insured by companies of the like character, and in the same manner and to the same extent.

To insure.

—controlled companies to insure.

SECTION 9. Subject to Article Ten, the Railroad Company shall and will diligently preserve all the rights and franchises to it granted and upon it conferred, and shall and will, at all times, maintain, preserve and keep the same and every thereof, and will, at all times, maintain, preserve and keep the rolling stock, fixtures and appurtenances subject to this indenture, and every part and parcel thereof, in good repair, working order and condition, and will, at all times, keep the railways, premises and estate subject to this indenture supplied with all necessary motive power, rolling stock and equipment, and shall and will, from time to time, thereto make all needful and proper repairs, renewals and replacements, useful and proper alterations, additions, betterments and improvements. Every of the controlled companies of the Railroad Company shall and will diligently preserve all the rights and franchises to it granted or on it conferred, and at all times maintain and keep the same, and will at all times keep its property in good repair, working order and condition and adequately equipped for operation, and will thereto make all proper repairs, renewals and replacements, additions, betterments and improvements.

To maintain properties and franchises,

—of controlled companies.

As to controlled and subsidiary companies,

--increase of capital stock,

--issue of bonds,

SECTION 10. Except in the cases in this indenture expressly authorized, the Railroad Company will not sanction or permit any increase of the capital stock of any controlled company or subsidiary company of the Railroad Company, or the issue of any additional shares of the capital stock of any such company, or (except (1) current operating accounts for a period not at any date exceeding six months next prior to such date; (2) obligations issued for the purchase price of equipment secured by an instrument of trust or conditional sale relating only to such equipment; (3) bonds or obligations issued pursuant to the provisions of Section 8 of Article Six hereof; (4) mortgages or other liens created to secure any bonds or obligations of the character specified in the foregoing subdivisions (2) and (3); or (5) instruments of further assurance or security required by mortgage, or deed of trust, upon some part of the property of such company) the issue of any bonds by any such company, or the creation of any other indebtedness by any such company, or the creation of any mortgage or other lien upon the railroad or railroad property of any such company, unless simultaneously there shall be made effective provision that such indebtedness and the evidences thereof, and such bonds issued and such mortgage or other lien (unless it be a mortgage or a deed of trust to a trustee to secure bonds or other obligations), and all such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire issued capital stock previously subject to this indenture) forthwith, upon the issue or creation thereof, shall be assigned to the Trustees on the trusts of this indenture, and (except so far as the same may, by the terms of some prior indenture under which the existing stock of such company shall be pledged, be required to be delivered to the trustee or trustees under such prior indenture), be delivered to the Corporate Trustee, and be made subject to all the trusts of this indenture; and all such additional stock shall be fully paid and be non-assessable. Except as aforesaid, if any such

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company shall issue any capital stock in addition to that now outstanding, or shall issue any bond or obligation or certificate of indebtedness, then the Railroad Company will cause all such additional stock and all such bonds, obligations or certificates forthwith to be assigned to the Trustees, and will cause the certificates for such stock and such bonds, obligations or certificates to be delivered to the Corporate Trustee, to be held subject to the trusts of this indenture; and all such additional stock shall be fully paid and be non-assessable; and if any such company shall make default in the payment of any indebtedness incurred by it, then the Railroad Company promptly will acquire the same and will assign the same to the Trustees, or will cause the same to be paid, satisfied or discharged, or make adequate provision for the payment, satisfaction or discharge thereof.

Except in the cases in this indenture expressly authorized, --sale of railroads. the Railroad Company will not sanction or permit any of the controlled companies of the Railroad Company to sell, or otherwise to dispose of, its railroad, or any part thereof, except to the Railroad Company, or to some other controlled company of the Railroad Company nor any subsidiary company of the Railroad Company to sell or otherwise dispose of its railroad or any part thereof except to the Railroad Company or to some controlled company or subsidiary company of the Railroad Company.

Except in the cases in this indenture expressly authorized, --lease of railroads. the Railroad Company will not sanction or permit any controlled company or subsidiary company of the Railroad Company to lease its railroad property, or any part thereof, except to the Railroad Company, or to some controlled company of the Railroad Company, unless such lease be upon the condition that it shall terminate at the election of the Trustees by entry or otherwise, in case of the happening of some one or more of the events of default specified in Section 2 of Article Seven and in Section 2 of Article Three, and in case of a sale of the property subject to this indenture in enforcement of this indenture, at the election of the purchaser.

As to controlled
or subsidiary
companies.

SECTION 11. Any and all claims and indebtedness which the Railroad Company now has or hereafter may acquire against any controlled company or subsidiary company of the Railroad Company shall, on the acquisition thereof by the Railroad Company (subject to the provisions in respect thereof in this indenture contained), be and become subject to this indenture, and, upon the happening of any of the events described in Clauses A, B and C of Section 3 of Article Six of this indenture, the Railroad Company, on the written request of the Corporate Trustee, will execute to the Trustees appropriate assignments thereof.

To list equipment.

SECTION 12. At all times the Railroad Company will keep on its books a separate list of locomotives, tenders, cars and other equipment directly subject to this indenture as a direct first lien, and prior to January 1, 1924, it will furnish to the Corporate Trustee a complete list of all such locomotives, tenders, cars and other equipment on which this indenture shall then be a direct first lien, and thereafter it will annually prior to every January 1, and at such additional times as the Corporate Trustee may request, furnish to the Corporate Trustee a corrected list thereof, so as to enable the Corporate Trustee at all times to identify the locomotives, tenders, cars and other equipment upon which this indenture is a direct first lien.

To maintain and
replace equipment.

SECTION 13. At all times the Railroad Company will keep and maintain in good order and condition, reasonable wear and tear excepted, all cars, locomotives, tenders and other equipment upon which this indenture shall be or shall have become a lien, and whenever any such locomotives, tenders, cars or other equipment shall be destroyed, or whenever, after December 31, 1924, any such locomotives, tenders, cars or other equipment shall be worn out, the Railroad Company will cause the same to be replaced by other locomotives, tenders, cars or other equipment of a value equal to the depreciated book value at the time of retirement, of the

retired equipment, or may deposit in cash with the Corporate Trustee such depreciated book value which shall be repaid, however, on the order of the Railroad Company against evidence satisfactory to the Corporate Trustee of such replacement.

SECTION 14. The Railroad Company will in every annual report of its operations and affairs, made by it to its stockholders, state in detail all of the stocks, bonds and other securities of the Railroad Company or of any controlled company or subsidiary company sold by the Railroad Company or by such controlled company or subsidiary company during the period covered by such annual report, and the net amounts in each case realized from every such sale. To report sales of securities.

SECTION 15. The income statement and balance sheet of the Railroad Company for each fiscal year beginning after December 31, 1922, and otherwise the accounts of the Railroad Company, as may be directed jointly by the Corporate Trustees under this indenture and under the Adjustment Mortgage, shall annually and prior to April 1 next succeeding the expiration of such fiscal year, be audited, at the expense of the Railroad Company, by certified public accountants or members of the American Institute of Accountants selected by such Corporate Trustees or in case of disagreement between them by the Corporate Trustee under this indenture, and such accountants shall report thereon and on the Railroad Company's financial condition, in such detail as such Corporate Trustees or either of them may request, and every audit and report of such accountants shall within ten days after the making thereof be filed in triplicate, an original counterpart with each of said Corporate Trustees and an original counterpart with the Railroad Company; and the audit and report so filed with any Corporate Trustee shall be open to inspection by the holder of any bond issued under the mortgage of which such Corporate Trustee shall be a trustee. As to annual audit.

Expert examination
authorized.

SECTION 16. The Corporate Trustees under this indenture and under the Adjustment Mortgage, jointly, may at any time appoint an expert in railroading to examine the physical condition of the lines of railroad and equipment embraced in the system of the Railroad Company including the lines of railway and equipment of controlled companies and subsidiary companies of the Railroad Company and leased or operated lines of railway and equipment, and otherwise as said Corporate Trustees may direct and in such detail as said Corporate Trustees may require, and to report thereon and on the methods of operation thereof and otherwise as said Corporate Trustees may request, and the Railroad Company will in every way facilitate examination by such expert and will furnish such expert such information as such expert may deem requisite for the purposes of such examination or of his report or in connection therewith and will permit such expert for the purposes aforesaid to examine the books and accounts of the Railroad Company so far as such expert may deem requisite and generally do whatever may be necessary to enable such expert to report fully on the matters as to which such expert may be retained and the Railroad Company will promptly defray and pay the compensation and expenses of such expert; the report of such expert to be filed in triplicate, an original counterpart with each of said Corporate Trustees and an original counterpart with the Railroad Company, the counterpart filed with either Corporate Trustee to be open to inspection by any holder of any bond issued under the mortgage of which such Corporate Trustee shall be a trustee.

To issue and apply
bonds only in ac-
cordance with this
indenture.

SECTION 17. The Railroad Company will not issue, negotiate, sell or dispose of any Prior Lien Bonds in any manner other than in accordance with the provisions of this indenture and the agreements in that behalf herein contained and with the requirements of law; and in issuing, selling, negotiating or otherwise disposing of Prior Lien Bonds, from time to time, it will well and truly apply, or cause to be applied, the

same, or the proceeds thereof, to and for the purposes herein prescribed, and to or for no other or different purpose.

SECTION 18. In case the Railroad Company shall hereafter As to future lie is. create any mortgage or deed of trust upon the property subject to the lien of this indenture or any part thereof, such mortgage or deed of trust shall be, and shall be expressed to be, subject to the prior lien of this indenture for the security of all Prior Lien Bonds then issued or thereafter to be issued under this indenture within any limitation of amount then fixed or thereafter to be limited as in this indenture provided.

ARTICLE SIX.

CONTROL OF STOCKS AND BONDS.

SECTION 1. When and as any of the bonds or obligations Delivery to Corporate Trustee. or the certificates for any of the shares of stock which the Railroad Company has by this indenture assigned or agreed to assign and transfer to the Trustees shall come into the possession of the Railroad Company or under its control, the Railroad Company, subject to the obligation, if any, to deliver the same to the trustee or trustees under any indenture constituting a prior lien thereon, forthwith shall deliver the same to the Corporate Trustee, together with proper instruments of assignment and transfer thereof in blank; provided, however, that the Railroad Company shall be entitled to use as part of its current assets any stock, bonds or other obligations which the Railroad Company shall, after the issue and sale thereof by the issuing company, acquire out of income and in respect of which bonds shall not have been issued under this indenture or under the Adjustment Mortgage.

SECTION 2. The Corporate Trustee is authorized, in its Registration or transfer into name of Corporate Trustee. discretion, to cause to be registered in its name, as trustee, any and all coupon bonds which the Trustees shall receive as security under any of the provisions of this indenture, or it may cause the same to be exchanged for registered bonds, without coupons, of any denomination. The Trustees shall cause to be

transferred into the name of the Corporate Trustee, as trustee hereunder, all registered bonds which shall be delivered to the Trustees or which they shall receive as security on the trusts hereof. At any time the Trustees or the Corporate Trustee may transfer into the names of the Trustees, as trustees, or into the name of the Corporate Trustee, as trustee, all or any shares of stock, the certificates for which shall have been delivered to the Trustees; or in the discretion of the Corporate Trustee, the Trustees may hold such certificates in the name of the registered holder thereof at the time of such pledge, or in the name of a nominee of the Corporate Trustee, provided that the same be endorsed in blank for transfer, or be accompanied by proper instruments of assignment in blank duly executed by such registered holder.

Shares necessary to
qualify directors or
officers,

The Trustees may do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any company, stock of which shall be pledged or assigned hereunder, and for such purposes, from time to time, may sell, assign, transfer and deliver so many shares of the stock of the several companies as may be necessary to qualify persons to act as directors of, or in any other official relation to, such companies. Whenever, the Railroad Company not being in default under this indenture, the Railroad Company shall in writing so request, stating in such request that the Railroad Company has no shares for that purpose under its control other than shares held under this indenture, the Trustees, at the cost and expense of the Railroad Company, shall assign and transfer to persons designated by the Railroad Company, a sufficient number of the shares which then shall be held hereunder, to qualify such persons to act as directors of, or in any official relation to, the several companies which issued such shares; provided, however, that under this provision no transfer shall be made of the stock of any controlled company of the Railroad Company which shall reduce the amount of stock in any such controlled company held under this indenture so as to render it less than a majority of such stock, and that in every case the Corporate Trustee shall make

such arrangements as it shall deem expedient for the protection of the trusts hereunder in respect of the shares so assigned.

SECTION 3. Unless and until

Rights of Railroad Company until entry by Trustees or default,

A. the Trustees shall, under the powers in this indenture granted, have entered into possession of the rail-ways or some of them constituting part of the trust estate; or

B. there shall be a default in the payment of some instalment of interest on some Prior Lien Bond at the time outstanding; or

C. some one of the events of default specified in subdivisions (b), (c), (d), (e), (f) and (g) of Section 2 of Article Seven shall happen:

(a) the Trustees shall not (except with the assent of the Railroad Company or as otherwise authorized by this indenture), whether at, or before, or after the maturity thereof, collect, or be entitled to enforce the collection of, the principal or interest of any bonds or obligations or of any other claims or indebtedness pledged under this indenture, and shall not enforce any provisions of the mortgages, trust deeds or other instruments under which such bonds or other obligations were issued, or by which the same are secured;

--as to principal of pledged securities,

(b) the Railroad Company shall be entitled to receive all interest paid in respect of any such bonds or obligations and in respect of other claims in its favor or indebtedness to it, and the dividends out of current earnings and income paid in money on all shares of stock which shall be subject to this indenture, although the same may have been transferred into the name of the Corporate Trustee or of its nominee;

--as to interest and dividends,

(c) from time to time (subject to the covenants in respect thereof in this Section 3 contained), upon written request of the Railroad Company, the Corporate

Trustee shall deliver to the Railroad Company any coupons for such interest then in its possession (except coupons belonging to bonds of any issue secured by direct lien prior to the lien of this indenture, upon any of the railways or other property of any character constituting part of the trust estate, which shall be canceled before delivery to the Railroad Company), in order that the Railroad Company may receive payment thereof for its own use or may cause the same to be canceled; and on like request the Corporate Trustee shall deliver to the Railroad Company suitable orders in favor of the Railroad Company, or its nominee, for the payment of such interest and of such dividends, and the Railroad Company may collect such coupons, interest and dividends (but not by any proceeding which the Corporate Trustee shall deem to be prejudicial to the trusts hereunder), and the Corporate Trustee shall upon demand pay over to the Railroad Company any such interest and dividends which may be collected or be received by the Corporate Trustee; and

—as to claims,

(d) the Railroad Company, for its own use, shall be entitled to demand and receive and (but not by any proceeding which the Corporate Trustee shall deem prejudicial to the trusts hereunder), to collect, and may release and discharge, the principal and interest of any claims in its favor or indebtedness to it subjected to the lien of this indenture under Section 11 of Article Five hereof, and upon request of the Railroad Company the Trustees shall execute any reassignments or releases which may be required for that purpose;

—restrictions.

Provided, however, and hereby it is declared and agreed that, except as in this indenture otherwise expressly provided,

(1) the Railroad Company shall not be entitled to receive, and the Trustees shall not pay over to the Railroad Company, the principal of any bond or obligation,

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claim or indebtedness, subject to this indenture, other than a claim or indebtedness subject to the lien of this indenture under Section 11 of Article Five, which the Railroad Company shall be entitled under the provisions of the last preceding paragraph (*d*) to demand and receive or to collect;

(2) the Railroad Company shall not be entitled to receive, and the Trustees shall not pay over, any interest on any of the bonds, obligations, claims or indebtedness, subject to this indenture, or the dividends on any shares of stock subject to this indenture, which shall have been collected or paid out of the proceeds of any sale or condemnation or expropriation of the property covered by a mortgage securing such bonds or obligations, or, in case of a dissolution or liquidation of such company, out of the proceeds of the sale of any other property of the company liable upon such bonds, obligations, claims or indebtedness or the stock of which shall be subject to this indenture; it being the intention that the Railroad Company shall be entitled to receive only payments made out of the rents, revenues, income or proceeds of current operation of such properties;

(3) the Railroad Company shall not sell, assign or transfer any such coupon or right to interest or dividends, delivered or assigned to it, or any other such claim or indebtedness;

(4) the Railroad Company shall not collect any such coupons or interest, or any such other claims or indebtedness, or any such dividends, by legal proceedings or by enforcement of any security therefor, except with the written assent of the Corporate Trustee, nor in any manner which the Corporate Trustee shall deem prejudicial to the trusts hereunder; and

(5) until actually paid, released or discharged, every

such coupon or right to interest or dividends, and all such other claims and indebtedness, shall remain subject to this indenture.

Trustees may assume that interest and dividends are paid out of income.

The Trustees shall be entitled to assume that any interest received by the Corporate Trustee on any bond or other obligation, claim or indebtedness, or any dividend received in money on any shares of stock, is paid out of rents, revenues, income or proceeds of current operation, until the Corporate Trustee shall be notified in writing to the contrary; and, in the absence of such written notification, it shall be presumed, as between the Trustees and the bondholders, that the Corporate Trustee, in making any payment thereof to the Railroad Company, acted in good faith.

If any such coupons, or if any evidence of any such claim or indebtedness, delivered to the Railroad Company shall not, as aforesaid, forthwith be paid or canceled, the Railroad Company shall return the same to the Corporate Trustee, and in case of the payment of any such coupon, claim or indebtedness, shall, upon demand of the Corporate Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

Applications of payments of principal or out of capital.

SECTION 4. Any sum which shall be paid on account of the principal of any bonds or other obligations or indebtedness subject to this indenture, or which shall be paid out of the proceeds of the sale of property covered by a mortgage or deed of trust securing such bonds or obligations, on account of the principal of, or the interest on, any of the bonds or obligations subject to this indenture, or, in case of the dissolution or liquidation of any company, upon shares of stock of such company subject to this indenture, unless required to be paid to and received by the trustee under some mortgage or other instrument of trust or security prior in lien to this indenture, or unless applied on account of the purchase price of property purchased pursuant to Section 6 of this Article Six shall be

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received by the Corporate Trustee, and, the Railroad Company not being in default under this indenture, may from time to time at the election of the Railroad Company

(a) be paid over by the Corporate Trustee to the Railroad Company to reimburse in full, without limitation as to their amount, expenditures not otherwise reimbursed, made by the Railroad Company after the receipt of such moneys by the Corporate Trustee for any of the purposes for which Prior Lien Bonds are reserved under Section 4 of Article Two, and without affecting the right of the Railroad Company to obtain the authentication and delivery of bonds reserved under said Section 4 in respect of expenditures not otherwise reimbursed; such payments to be made only in accordance with Section 6 of Article Two and, except as aforesaid, subject to the restrictions of said Section 6; or

(b) be applied by the Corporate Trustee from time to time at the written request of the Railroad Company to the redemption of Prior Lien Bonds by purchase thereof in the open market at not exceeding par (exclusive of current interest accrued at the time of purchase which the Railroad Company shall provide); any bonds so purchased, together with the appurtenant coupons, forthwith to be canceled, and, on its written demand, delivered to the Railroad Company.

SECTION 5. Unless and until some one or more of the events specified in Section 3 of this Article Six shall have happened, the Railroad Company shall have the right to vote for all purposes not contrary to its covenants herein contained or otherwise inconsistent with the provisions or purposes of this indenture, and with the same force and effect as though such shares were not subject to this indenture, upon all shares of stock subject to this indenture, other than shares of the capital stock of any company which shall have made default

Right to vote on pledged stock.

in the payment of the principal or interest of any bond or obligation secured by mortgage or other instrument on its property or some part thereof and not held by the Railroad Company, or of any company of which, or of the property of which, a receiver shall have been appointed; and, from time to time, upon demand in writing of the Railroad Company signed by its President or a Vice-President and specifying the purpose or purposes for which such proxies are to be used and certifying that the company, as to the shares of the capital stock of which proxies are requested, has not made default in the payment of the principal or interest of any bond or obligation secured by mortgage or other instrument on its property or some part thereof and not held by the Railroad Company, and further certifying that no receiver has been appointed for such company or its property, the Corporate Trustee forthwith shall make and deliver or shall cause to be made and delivered to the Railroad Company or to its nominees, suitable powers of attorney or proxies to vote upon any shares of stock other than as aforesaid which shall have been transferred to the Corporate Trustee or its nominees. Such powers of attorney and proxies shall specify as the purpose or purposes for which the same may be used, the purpose or purposes expressed in such request. The Trustee shall be fully protected and shall incur no liability in executing and delivering or causing to be executed and delivered any such powers of attorney or proxies upon the receipt of opinion of counsel who may be of counsel to the Company that such purpose or purposes is or are within the purposes and powers authorized by this indenture and not contrary to any of the covenants of the Railroad Company herein contained.

Subject only as in this indenture specifically restricted and to the actual exercise by the Railroad Company of rights in respect thereof conferred by this indenture, the Corporate Trustee shall have, and may exercise, all the rights of owner in respect of any bonds, obligations or stock or certificates of

Corporate Trustee
to have rights of
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SECTION 6

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interest therein, held by the Trustees under this indenture or in any manner whatsoever on the trusts hereof.

SECTION 6. In case default shall be made

(a) in the payment of the principal of, or interest on, any of the bonds or obligations, or in the due observance or performance of any covenant contained in any of the bonds or obligations, which shall have been delivered to, and shall at the time be held by, the Trustees or either of them, under this indenture, or in the due observance and performance of the covenants contained in any mortgage or deed of trust or trust agreement, if any, securing the same; or

(b) in the payment of the principal of, or interest on, or in the due observance or performance of any covenant contained in, any bonds or obligations then secured by the same mortgage or deed of trust or trust agreement as may secure or purport to secure bonds or obligations then held by the Trustees, or either of them, or in the due observance and performance of the covenants contained in any such mortgage or deed of trust or trust agreement;

then, and in any such case, the Corporate Trustee, without prejudice to the right of the Trustees to claim a default under this indenture or to assert any right consequent upon such default, shall, on the written request of the Railroad Company, not being otherwise in default under this indenture, and may, without such request, if the Railroad Company is so in default, exercise any rights under, or cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose, the mortgage or trust agreement, or trust or charge, by which such bonds or other obligations in default are secured, or otherwise enforce such rights.

In case

(c) at any time any company, shares of the capital

Rights of Corporate Trustee,

--in case of default affecting pledged securities,

--in case of dissolution or judicial sale affecting pledged securities.

stock of which shall be subject to this indenture, shall be dissolved or liquidated; or

(d) all or any of the property of any such company shall be sold at any judicial or other sale; or

(e) any property, covered by a mortgage securing any bonds subject to this indenture, or subject to any charge or trust for the payment of obligations subject to this indenture, shall be sold upon foreclosure of such mortgage, or by enforcement of such charge or trust,

then, in any such event, if the property of such dissolved or liquidated company, or the property sold, can be acquired by crediting on the bonds, obligations, claims, indebtedness or stock, held by the Trustees hereunder, any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than ten per cent. of the price of such property in cash (or more than ten per cent., if the Railroad Company or the holders of a majority in amount of the Prior Lien Bonds at the time outstanding shall so request), the Corporate Trustee in its discretion may, and, if requested in writing by the Railroad Company, or by the holders of a majority in amount of the Prior Lien Bonds at the time outstanding, and provided with the amount of cash necessary therefor (whether such amount be more or less than ten per cent. of the price of such property) in every case, shall purchase, or cause to be purchased, such property on behalf of the Trustees, either in the name of the Corporate Trustee or by purchasing trustees, as the Corporate Trustee may determine, and shall use such bonds, obligations, claims, indebtedness and stock, so far as may be, to make payment for such property; and in case of any such purchase the Corporate Trustee shall take such steps as it may deem proper to cause such property to be vested, if not in the Railroad Company, then in some corporation organized or to be organized with power to acquire and manage such property, provided in that event that all

the bonds and other indebtedness and capital stock thereof (excepting the number of shares required to qualify directors) shall be received by the Corporate Trustee and shall be held subject to this indenture. If said stock, or interest in stock of any such company so liquidated or dissolved, or whose property shall be sold, or such bonds or obligations the mortgage or other instrument securing which shall be so foreclosed or enforced, shall be held by the trustee under some indenture constituting a prior lien on the trust estate or part thereof, the Corporate Trustee may, in respect thereof, permit the purchase thereof by or on behalf of the trustee under such prior indenture. The Corporate Trustee may, in respect of any such bonds or stocks, join in, or permit and authorize the trustee under any indenture constituting a prior lien thereon to join in, any plan of reorganization or readjustment, and may accept or authorize the acceptance of new securities, including in that term stocks, issued in exchange therefor under such plan, and such securities shall be subject to this indenture.

The Corporate Trustee, with the consent of the Railroad Company, at any time may vote upon any shares of stock that shall be held by the Trustees hereunder, and the Corporate Trustee may take such other action as the Corporate Trustee in its discretion shall deem advisable, to protect the interests of the Trustees and the interests of the holders of the Prior Lien Bonds in respect of any bonds, obligations or stocks subject to the lien hereof; and, with such consent of the Railroad Company, the Corporate Trustee may join in any plan of reorganization in respect of any such bonds, obligations or stocks and may accept new securities issued in exchange therefor under such plan. In case the Railroad Company shall be in default in the payment of any interest on, or in the payment of the principal of, any of the Prior Lien Bonds, or otherwise under this indenture, the Corporate Trustee shall be entitled to take such steps without the consent of the Railroad Company.

Corporate Trustee
may join in reor-
ganization affecting
pledged securities.

Railroad Company
to pay
expenditures,

The Railroad Company covenants that, on demand of the Corporate Trustee, it forthwith will pay, or will satisfactorily provide for, all expenditures incurred by the Trustees or either of them under any of the provisions of this Section 6, including all sums required to obtain and perfect the ownership of and title to any property which the Trustees or the Corporate Trustee shall purchase or shall cause or authorize to be purchased, either at the request of the Railroad Company, or without such request, where not more than ten per cent. of the price of such property shall be required to be paid in cash; and in any case without impairment of, or prejudice to, any of its rights hereunder by reason of any default of the Railroad Company, the Corporate Trustee, in its discretion, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Corporate Trustee, or by others at its request, with interest thereon at the rate of six per cent. per annum, the Corporate Trustee shall have a lien under this indenture preferentially to the Prior Lien Bonds upon all the stocks, bonds, claims and indebtedness, in respect of which such advances shall have been made, and the proceeds thereof, and any property acquired by means thereof.

—Corporate Trustee
to have prior lien
therefor.

Application of
proceeds of sale.

In case the Trustees shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in a plan of reorganization as aforesaid in respect of such bonds or other obligations or stocks, then the Trustees shall receive any portion of the proceeds of the sale accruing on the securities by them held hereunder, and such proceeds shall be held and at the election of the Railroad Company either

(a) be paid by the Corporate Trustee to the Railroad Company to reimburse in full, without limitation as to their amount, expenditures not otherwise reimbursed, made by the Railroad Company after the receipt of such moneys by the Corporate Trustee for any of the purposes specified in Section 4 of Article Two, and with-

out affecting the right of the Railroad Company to obtain the authentication and delivery of bonds reserved under said Section 4 in respect of expenditures not otherwise reimbursed; such payments to be made only in accordance with Section 6 of Article Two, and, except as aforesaid, subject to the restrictions of said Section 6; or

(b) be applied by the Corporate Trustee from time to time at the written request of the Railroad Company to the redemption of Prior Lien Bonds by purchase thereof in the open market at not exceeding par (exclusive of current interest accrued at the time of purchase which the Railroad Company shall provide); any bonds so purchased, together with the appurtenant coupons, forthwith to be canceled, and, on its written demand, delivered to the Railroad Company.

SECTION 7. The Railroad Company hereby authorizes and directs the trustee or trustees under each and every mortgage or deed of trust or other instrument constituting a lien upon the trust estate or any part thereof, upon payment of the mortgage bonds or other obligations issued thereunder and thereby secured, or upon the earlier satisfaction of such mortgage or deed of trust or other instrument, as the case may be, to deliver (subject to the obligation of the Railroad Company, if any, to cause the same to be pledged or assigned under any mortgage or deed of trust or other instrument constituting a lien thereon prior to this indenture) to the Corporate Trustee under this indenture all shares of stock, bonds, and other corporate obligations, and other personal estate by any such mortgage, deed of trust or other instrument pledged or assigned as security for bonds or obligations issued thereunder.

Securities pledged
under underlying
mortgages.

SECTION 8. Nothing herein contained shall prevent

(1) the renewal or extension of any bond or obligation secured by mortgage upon the property of any con-

Extension or
refunding of bonds
of controlled or
subsidiary
companies. ✓

trolled company or subsidiary company of the Railroad Company; or

(2) the issue, in place of and in substitution for any such bonds or obligations, of other bonds or obligations for not greater amounts, bearing any rate of interest, and secured by mortgage or lien which shall embrace substantially the same property; or

(3) the issue by any controlled company or subsidiary company of the Railroad Company which was not either a controlled company or a subsidiary company of the Railroad Company on April 1, 1923, of bonds or obligations, secured or unsecured, in any amount, and bearing any rate of interest; or

(4) the creation by any controlled company or subsidiary company of the Railroad Company of any mortgage or other lien on the properties of such controlled company or subsidiary company or any part thereof to secure any bonds or obligations issued by such controlled company or subsidiary company in accordance with any of the foregoing subdivisions of this Section 8;

provided, however,

(a) that in case any bonds or obligations subject to this indenture shall be so renewed or extended, such bonds or obligations as so renewed or extended shall continue subject to this indenture to the same extent, and shall be lodged and held in the same manner as theretofore; and

(b) that in case any bonds or obligations subject to this indenture shall be exchanged for bonds or obligations substituted as aforesaid, the substituted bonds or obligations shall *ipso facto* and forthwith become subject to this indenture to the same extent, and shall be lodged and held in the same manner as those for which they are substituted.

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At any time the Corporate Trustee may in its discretion, and, if requested in writing by the Railroad Company, shall, consent to any such renewal, extension, substitution or issue, or to the creation of any such mortgage or other lien. The Corporate Trustee may receive the opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company, or of any other counsel approved by it, as conclusive evidence that any such renewal, extension, substitution or issue, or the creation of any such mortgage or other lien, is in compliance with the provisions of this Section 8.

SECTION 9. Anything in this indenture contained to the contrary notwithstanding: Consolidation and merger. ✓

(a) any controlled company of the Railroad Company may be consolidated with or merged into, or all of its property may be conveyed as an entirety to, any other controlled company of the Railroad Company; and —of controlled companies,

(b) any subsidiary company of the Railroad Company may be consolidated with, or merged into, or all of its property may be conveyed as an entirety to, any controlled company of the Railroad Company or any other subsidiary company of the Railroad Company; —of subsidiary companies,

provided, however,

(1) that the portion of the capital stock of any company formed by such consolidation or into which such merger shall be made, issued for or in lieu of stocks of the constituent companies, parties to such consolidation or merger, previously assigned or pledged hereunder, shall always bear to the total capital stock of such company a proportionate relation at least as high (but never less than a majority thereof) as that borne by such previously assigned or pledged stock to the aggregate capital stock of such constituent companies;

(2) that in the case of any such sale by any company of its property, the stock of the purchasing company becoming subject to this indenture shall bear to its

total capital stock a proportionate relation at least as high (but never less than a majority thereof) as that borne by the previously assigned or pledged stock of the purchasing and selling companies to the aggregate of the capital stock of said companies; and

(3) that in case of any merger or consolidation to which a controlled company of the Railroad Company capital stock of which shall be pledged under this indenture, shall be a party, or of a sale by or to any such company, the stock of the company resulting from such merger or consolidation or of the purchasing company continuing to be pledged and held under this indenture shall never be less than a majority thereof.

All stock of the company formed by such consolidation or into which such merger shall be made, issued for or in lieu of stock of the constituent companies, parties to such consolidation or merger, previously assigned or pledged hereunder, and all stock of the purchasing company issued in lieu of previously assigned or pledged stock of the selling company, shall become and be subject to this indenture.

—of companies less than a majority of the stock of which is pledged.

Any company, part but less than a majority of the capital stock of which shall be pledged or assigned hereunder, may also be merged into, or consolidated with, or all of its property may, as an entirety, be sold to, or leased to, any other corporation; *provided*

(a) that, in any case, the value of the security afforded by this indenture shall not be, in any way, impaired or prejudiced thereby; and

(b) that the whole consideration payable, distributable or deliverable on account of the stock pledged or assigned hereunder, or to its owner, shall be subject to this indenture, and pledged or assigned hereunder, in like manner as the stock so pledged or assigned.

Increase of capital stock.

The capital stock of any company, any of whose stock shall be pledged or assigned hereunder (whether or not less than a

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majority thereof), may, for the purpose of carrying out any transaction permitted by the foregoing provisions of this Section 9, and as a part of, or in contemplation of, such transaction, be increased to the extent necessary therefor.

The Trustees may accept as conclusive evidence that the value of the security hereunder will not be prejudiced or impaired by any proposed consolidation, merger or sale, a resolution of the Board of Directors of the Railroad Company to that effect, adopted by the affirmative vote of three-fourths of the whole number of directors, certified by its Secretary, under its corporate seal, together with the opinion of the Counsel, General Counsel or Assistant Counsel of the Railroad Company that such consolidation, merger or sale may lawfully be carried into effect.

Resolution of board as conclusive evidence that value of security will not be prejudiced.

Any controlled company or subsidiary company of the Railroad Company may be consolidated with, or merged into, or all of its property or any part thereof conveyed to, the Railroad Company.

Merger or consolidation of controlled or subsidiary company with Railroad Company.

The Corporate Trustee may vote upon any of the stock deposited with it and may do any and all things proper to carry into effect the purposes of this Section 9; and, in order to facilitate any such merger or consolidation, the Corporate Trustee may make or permit any necessary exchange, cancellation, substitution or surrender of securities, including in that term stocks, or may transfer, in whole or in part, into the name of the Railroad Company or its nominee or nominees, under such restrictions as it may deem sufficient for the protection of the holders of the Prior Lien Bonds, the shares of any company about to be merged or consolidated, which then stand in the name of the Corporate Trustee or its nominee.

SECTION 10. Anything in this indenture contained to the contrary notwithstanding, the Railroad Company, unless and until some one or more of the events specified in Section 3 of this Article Six shall have happened, shall have the right by

Until default, Railroad Company may require:

—cancellation of pledged obligations secured by property subject to this indenture as a direct lien,

written request delivered to the Corporate Trustee, to require the cancellation of

(a) any bonds or obligations at the time held by the Trustees as part of the trust estate and secured on lines of railway or other property vested in the Railroad Company and subject to this indenture as a direct lien; and

—cancellation of certain other pledged obligations.

(b) any bonds or obligations (other than bonds issued under the General Mortgage, dated January 1, 1922, of Missouri-Kansas-Texas Railroad Company of Texas) at any time held by the Trustees as part of the trust estate and secured on lines of railway or other property which, after such cancellation, will be vested in some controlled company or subsidiary company of the Railroad Company, and subject to said General Mortgage as a direct first lien, or secured on lines of railway or other property which, after such cancellation, will be vested in the Railroad Company and/or in some controlled company or subsidiary company of the Railroad Company, and subject in part to this indenture as a direct lien and in part to said General Mortgage as a direct first lien.

If the Railroad Company shall so request the cancellation of any such bonds or obligations, the bonds or obligations so canceled shall on the written order of the Railroad Company be surrendered to the trustee under the mortgage or other instrument securing such canceled bonds or obligations and the Railroad Company shall thereupon make reasonable efforts to procure the satisfaction and discharge of the mortgage securing any issue of underlying obligations all of which shall have been canceled.

A certificate signed or purporting to be signed by the President or other executive officer and by the Comptroller, Auditor or Treasurer of the Railroad Company as to any matters pertinent to the right to take any action called for by this Section 10 shall as regards the Trustees be conclusive evidence of the statements therein contained on the faith of which action shall

be taken and be full authority for action of the Corporate Trustee on the faith thereof in accordance therewith.

ARTICLE SEVEN.

REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. Neither any coupon appurtenant to any Prior Lien Bond, nor any claim for interest on any such bond, which in any way, at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of or from this indenture, except after the prior payment in full of the principal of all the Prior Lien Bonds issued under this indenture, and of all coupons and interest obligations not so transferred or pledged.

Postponement of coupons and interest claims separately transferred.

SECTION 2. If one of more of the following events, in this indenture called events of default, shall happen, that is to say:

Events of default,

(a) default shall be made in the payment of any instalment of interest on any of the Prior Lien Bonds when and as the same shall become payable, as therein and herein expressed, and such default shall continue for sixty days; or

—(a) non-payment of interest,

(b) default shall be made in the payment of the principal of any of the Prior Lien Bonds when the same shall become due and payable, either by the terms thereof or otherwise as in this indenture provided; or

—(b) non-payment of principal,

(c) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Railroad Company, its successors or assigns, in the Prior Lien Bonds or in this indenture contained, and such default shall continue for ninety days after written notice specifying such default and requiring the same to be remedied, shall have been given by the Corporate Trustee, which shall give such notice on the written request of the holders of ten per

—(c) non-performance of other covenants and conditions of this indenture,

cent. in amount of the Prior Lien Bonds at the time outstanding; or

--(d) order for appointment of receiver,

(d) an order shall be made for the appointment of a receiver of the Railroad Company or of the trust estate; or

--(e) non-payment of interest of obligations secured by direct prior lien,

(e) default shall be made in the payment of the interest on any bond or obligation secured by direct lien prior to that of this indenture on the mortgaged lines of railway or any part thereof or secured by direct lien on the lines of railway vested in Missouri-Kansas-Texas Railroad Company of Texas, prior to the lien of the General Mortgage of said Railroad Company, dated January 1, 1922; or

--(f) non-payment of principal of, or failure to take up, obligations secured by direct prior lien,

(f) the Railroad Company shall fail, on the maturity of said bonds or obligations specified in the foregoing clause (e) of this Section 2 and on presentation thereof in accordance with the terms thereof, either to pay said bonds or obligations or to cause said bonds or obligations to be taken up and delivered to the Corporate Trustee to be held under this indenture or otherwise to deal with such bonds or obligations as may be required or permitted by this indenture; or

--(g) non-performance of covenants in instruments constituting direct prior lien.

(g) default shall be made in the performance of any covenant contained in any mortgage or deed of trust or other instrument constituting a direct lien on any part of the mortgaged lines of railway in priority to this indenture and, by reason of such default, any right of entry or right of action for the enforcement of the security afforded thereby shall accrue;

Trustees' right to enter and operate.

then and in each and every such case the Trustees personally, or by their agents or attorneys, may enter into and upon all or any part of the railways, rolling stock, property and premises, lands, rights, interests and franchises hereby conveyed, or intended so to be, and each and every part thereof, and may exclude the Railroad Company, its agents and servants wholly

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therefrom; and, having and holding the same, may use, operate, manage and control said railways and other premises, regulate the tolls for the transportation of passengers and freight thereon, and conduct the business thereof, either personally or by their superintendents, managers, receivers, agents and servants or attorneys; and upon every such entry the Trustees, at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and may insure or keep insured, the rolling stock, tools and machinery and other property, buildings, bridges and structures erected or provided for use in connection with said railways and other premises, whereof they shall become possessed, as aforesaid, in the same manner and to the same extent as is usual with railway companies; and likewise, from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals and replacements, and useful alterations, additions, betterments and improvements thereto and thereon, as to them may seem judicious; and in such case the Trustees shall have the right to manage the mortgaged railways and property and to carry on the business and exercise all rights and powers of the Railroad Company, either in the name of the Railroad Company or otherwise, as the Trustees shall deem best. And the Trustees shall be entitled to collect and receive all tolls, earnings, income, rents, issues and profits of the same and every part thereof, and also the income from stocks and bonds subject to this indenture. 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 trust estate, or any part thereof, as well as just and reasonable compensation for their own services and for all attorneys, agents, clerks, servants and other employees by them properly engaged and employed, the Trustees shall apply the moneys arising as aforesaid, as follows:

Application of
income.

(a) in case the principal of the Prior Lien Bonds shall not have become due, to the payment of the interest in default in the order of the maturity of the instalments of such interest, with interest thereon at the same rates respectively borne by the bonds on which such interest shall be in default, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

(b) in case the principal of the Prior Lien Bonds shall have become due, by declaration or otherwise, first to the payment of the accrued interest, with interest on the overdue instalments thereof at the same rates respectively borne by the bonds on which such interest shall be in default, in the order of the maturity of the instalments, and next to the payment of the principal of all the Prior Lien Bonds with interest thereon at the same rates respectively borne by such bonds; in every instance such payments to be made ratably to the person entitled to such payments, without any discrimination or preference.

These provisions, however, shall not be deemed in anywise to modify the provisions of Section 1 of this Article Seven, but are subject thereto.

Trustees' right to collect interest and dividends on pledged securities,

SECTION 3. If one or more of the events specified in Clauses A, B and C of Section 3 of Article Six shall happen, the Corporate Trustee shall be entitled while such default shall continue to vote on all shares of stock then held under this indenture, and, for the benefit of the holders of the Prior Lien Bonds, to collect and receive all dividends on all such shares of stock, and all sums payable for principal, interest or otherwise upon any bonds or obligations or other indebtedness that shall then be subject to this indenture, and to apply, as hereinbefore provided, the net moneys received; and, as holder of any such shares of stock and of any such bonds or other obligations and such

indebtedness, execute any and all instruments for this Section 3; embraced in this shall be in possession or pursuit of the trustee from time to time by the holders at the time of the interest monies receiver, and in managing the Company in the best interest

SECTION 4. In case of default shall be made of the principal of the Bonds and payable to the holders of the Railroad Bonds then held by the holders of the Prior Lien Bonds then held by the holders of the Prior Lien Bonds payable, and shall be forthwith or in said This provision shall be in force any time a default is declared of the estate or a default of the Prior Lien Bonds interest a default on which shall be with the trustee their agent

indebtedness, to perform any and all acts, or to make or 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 of the railways embraced in the trust estate shall have been appointed and shall be in possession thereof in the enforcement of this indenture or pursuant to the provisions hereof, the Corporate Trustee from time to time in its discretion may, and if requested by the holders of a majority in amount of the Prior Lien Bonds at the time outstanding, shall, turn over any part or all of the interest moneys and dividends so collected by it to such receiver, and the Trustees may co-operate with such receiver in managing and operating the system of the Railroad Company in such manner as the Trustees shall deem for the best interest of the holders of the Prior Lien Bonds.

-in case of receivership.

SECTION 4. In case any one or more of the events of default shall happen, then and in such case, unless the principal of the Prior Lien Bonds shall already have become due and payable, the Trustees by notice in writing delivered to the Railroad Company, may, and upon the written request of the holders of twenty per cent. in amount of the Prior Lien Bonds then outstanding shall, declare the principal of all the Prior Lien Bonds 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 this indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, and before any sale of the trust estate or any part thereof shall have been made in enforcement of this indenture, all arrears of interest upon all the Prior Lien Bonds, with interest on overdue instalments of interest at the same rates borne by the respective bonds on which instalments of interest may be overdue, together with the reasonable charges and expenses of the Trustees, their agents and attorneys, shall either be paid by the Rail-

Trustees' right to declare principal due,

-waiver by bondholders

road Company or be collected out of the income of the trust estate and all other defaults under the Prior Lien Bonds, or under this indenture, shall to the satisfaction of the Corporate Trustee be made good, or adequate provision made therefor, then and in such case the holders of a majority in amount of the Prior Lien Bonds then outstanding, by written notice to the Railroad Company and to the Trustees, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Trustees' right to sell

SECTION 5. If one or more of the events of default shall happen, the Trustees, with or without entry, personally or by attorney, in their discretion, either

(a) may sell, subject to the then existing prior liens thereon, to the highest and best bidder, all and singular the trust estate, including bonds and stocks, rights, franchises, interests and appurtenances, and all real and personal property of every kind, and all right, title and interest, claim and demand therein, and right of redemption thereof; such sale or sales shall be made at public auction at such place on the premises to be sold, and at such time and upon such terms as the Trustees may fix and briefly specify in the notice of sale to be given as herein provided, or as may be required by law; or

—to institute judicial proceedings

(b) may proceed to protect and to enforce their rights and the rights of bondholders under this indenture by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustees, being advised by counsel, shall deem most effectual to protect and enforce any of their rights or duties under this indenture or the rights of holders of the Prior Lien Bonds.

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SECTION 6. Upon the written request of the holders of twenty per cent. in amount of the Prior Lien Bonds then outstanding, it shall be the duty of the Trustees, in case one or more of the events of default shall happen, upon being indemnified as hereinafter provided, to take all steps needful for the protection and enforcement of their rights and the rights of the holders of the Prior Lien Bonds, and to exercise the power of entry or of sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit or otherwise as the Trustees, being advised by counsel learned in the law, shall deem most expedient in the interest of the holders of the Prior Lien Bonds.

20% of bondholders
may require action

SECTION 7. 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, the whole of the trust estate shall be offered for sale in one parcel and as an entirety, including all the rights, title, estates, railways, equipment, franchises, leases, leasehold interests, contracts, stocks, bonds and other real and personal property of every name and nature, unless such sale as an entirety is impracticable by reason of some statute or other cause, or unless the holders of a majority in amount of the Prior Lien Bonds then outstanding shall, in writing, request the Trustees to cause said premises to be sold in parcels, in which case the sale may 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 this indenture, hereby expressly waives and releases all right to have the properties and estate comprised in the security intended to be created by this indenture marshalled upon any foreclosure or other enforcement hereof, and the Trustees, or any Court in which the foreclosure of this indenture 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, or subject to, the

Sale as an entirety.

Waiver of
marshalling.

trusts created by this indenture as a whole in a single lot or parcel.

Notice of sale.

SECTION 8. Notice of any sale by the Trustees pursuant to the provisions of this indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a newspaper printed, regularly issued and having a general circulation in the City of St. Louis, Missouri.

Adjournment of sale.

SECTION 9. The Trustees may adjourn from time to time any sale by them to be made under the provisions of this indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, they may make such sale at the time and place to which the same shall be so adjourned.

Conveyance on sale.

SECTION 10. Upon the completion of any sale or sales under this indenture, the Trustees shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, and other instruments conveying, assigning and transferring the properties sold. The Trustees and their successors hereby are appointed the true and lawful attorneys irrevocable of the Railroad Company, in its name and stead to make all conveyances, assignments and transfers of the premises and property thus sold in the judgment of the Trustees advisable; and, for that purpose, they may execute all requisite deeds and instruments of assignment and transfer, and may substitute one or more persons with like power; the Railroad Company hereby ratifying and confirming all that its said attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless the Railroad Company shall, if so requested by the Trustees, ratify and confirm any sale or sales by executing and delivering to the Trustees or to such purchaser or purchasers all such instruments as may be, in the judgment of the Trustees.

advisable for the purpose and as may be designated in such request.

Any such sale or sales made under or by virtue of this indenture, whether under the power of sale herein granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Railroad Company, of, in and to the premises and property so 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 or to claim the premises and property sold, or any part thereof from, through or under the Railroad Company, its successors or assigns.

Sale to divest all interest of Railroad Company.

The personal property and chattels conveyed or intended to be conveyed by or pursuant to this indenture (other than stocks, bonds and other securities and claims) shall be deemed real estate for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of said railways, and part thereof, and are to be sold therewith and not separate therefrom, except as herein otherwise provided.

Personalty deemed fixtures

SECTION 11. The receipt of the Trustees 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 upon or for any trust or purpose of this indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

Trustees' receipt sufficient to discharge to purchaser.

SECTION 12. In case of a sale under any of the foregoing provisions of this Article Seven, whether made under the power of sale herein granted or pursuant to judicial proceed-

Principal due in case of sale

ings, the principal of the Prior Lien Bonds, if not previously due, shall immediately thereupon become due and payable, anything in the Prior Lien Bonds or in this indenture to the contrary notwithstanding.

Application of proceeds of sale.

SECTION 13. The purchase money, proceeds or avails of any such sale, whether made under the power of sale hereinafter granted or pursuant to judicial proceedings, together with any other sums which then may be held by the Trustees under any of the provisions of this indenture as part of the trust estate or 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 Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustees, and to the payment of all taxes, assessments or other liens prior to the lien of this indenture, except prior liens subject to which the property shall have been sold;

SECOND. To the payment of the whole amount then owing or unpaid upon the Prior Lien Bonds for principal and interest, with interest on the overdue principal and on the overdue instalments of interest at the same rates respectively borne by the bonds on which such instalments of interest are overdue; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon said bonds, then to the payment of the principal and interest of the Prior Lien Bonds, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and the accrued and unpaid interest; subject, however, to the provisions of Section 1 of this Article Seven;

THIRD. To the payment of the surplus, if any, to the Railroad Company, its successors or assigns, or to who-

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soever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 14. Upon any such sale by the Trustees or pursuant to judicial proceedings, any purchaser, for or in settlement or payment of the purchase price of the property purchased, shall be entitled to use and apply any Prior Lien Bonds and any matured and unpaid coupons by presenting such bonds and coupons in order that there may be credited thereon the sums applicable to the payment thereof out of the net proceeds of such sale to the owner of such bonds and coupons as his ratable share of such net proceeds, after the deduction of costs, expenses, compensation and other charges; and thereupon such purchaser shall be credited, on account of such purchase price payable by him, with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the bonds and coupons so presented; and at any such sale, any holders of the Prior Lien Bonds may bid for and purchase such property, and may make payment therefor as aforesaid, and upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

Bonds and coupons
credited on
purchase price

SECTION 15. The Railroad Company covenants that

(1) in case default shall be made in the payment of any instalment of interest on any of the Prior Lien Bonds, and such default shall have continued for sixty days; or

(2) in case default shall be made in the payment of the principal of any of the Prior Lien Bonds when the same shall become payable, whether upon the maturity of the Prior Lien Bonds or upon declaration as authorized by this indenture, or upon a sale as set forth in Section 12 of this Article Seven,

Covenant to pay
entire amount due
on default.

then upon demand of the Trustees, the Railroad Company will pay to the Trustees for the benefit of the holders of the

Prior Lien Bonds and coupons then outstanding, the whole amount which then shall have become due and payable on all the Prior Lien Bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest upon the overdue principal and instalments of interest at the same rates respectively borne by the respective bonds which, or the instalments of interest on which, are overdue; and in case the Railroad Company shall fail to pay the same forthwith upon such demand, the Trustees in their own names and as trustees of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

Trustees may
recover judgment.

The Trustees shall be entitled to recover judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this indenture; and the right of the Trustees to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this indenture or the foreclosure of the lien hereof; and in case of a sale of the property subject to this indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees in their own names and as trustees of an express trust, shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon, any and all of the Prior Lien Bonds then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustees, and no levy of any execution on any such judgment on property subject to this indenture, or on any other property, shall, in any manner or to any extent; affect the lien of this indenture on the property, or any part of the property, subject to this indenture, or any rights, powers or remedies of the Trustees hereunder, or any lien, rights, powers or remedies of the holders of the Prior Lien Bonds, but such lien, rights, powers and remedies of

Judgment not to
affect lien.

the Trustees and of the bondholders shall continue unimpaired as before.

Any moneys thus collected by the Trustees under this Section 15 shall be applied by the Trustees, first, to the payment of the expenses, disbursements and compensation of the Trustees, their agents and attorneys, and, second, towards payment of the amounts then due and unpaid upon such bonds and coupons in respect of which such moneys shall have been collected, ratably and without any preference or priority of any kind according to the amounts due and payable upon such bonds and coupons, respectively, at the date fixed by the Trustees for the distribution of such moneys, on presentation of the several bonds and coupons and their surrender, if fully paid, or proper stamping if only partly paid.

Disposition of
moneys recovered.

SECTION 16. The Railroad Company will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any stay or extension law, now or at any time hereafter in force; nor will it claim, take or insist upon any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisement of the property, or any part of the property, subject to this indenture, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales will it claim or exercise any right under any statute heretofore or hereafter enacted by the United States or by any State, or otherwise, to redeem the property so sold or any part thereof; and the Railroad Company hereby expressly waives all benefit and advantage of any such law or laws, and it covenants that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustees, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Waiver of stay and
appraisement laws.

—of right of
redemption after
sale.

Rights of Trustees
on commencement
of proceedings.

SECTION 17. Upon filing a bill in equity, or upon commencement of any other judicial proceedings, to enforce any right of the Trustees or of the bondholders under this indenture, the Trustees shall be entitled to exercise the right of entry and also any and all other rights and powers herein conferred and provided to be exercised by the Trustees upon the happening of an event of default as hereinbefore provided; and, as matter of right, the Trustees shall be entitled to the appointment of a receiver of the premises and property subject to this indenture, and of the earnings, income, revenues, rents, issues and profits thereof, with such powers as the court making such appointment shall confer; but notwithstanding the appointment of any receiver, the Corporate Trustee shall be entitled, as pledgee, to continue to retain possession and control of any stock, bonds, cash and other property pledged or to be pledged, and held hereunder.

Railroad Company
may surrender
possession to
Trustees.

SECTION 18. At any time hereafter before full payment of the Prior Lien Bonds and whenever the Railroad Company shall deem expedient for the better protection or security of such bonds (although then none of the events of default shall have happened entitling the Trustees to exercise the rights and powers conferred by Sections 2, 3 and 5 of this Article Seven), the Railroad Company, with the consent of the Corporate Trustee, may surrender and may deliver to the Trustees full possession of the whole or of any part of the trust estate, and may authorize the Trustees to collect the dividends and interest on any or all shares of stock, bonds and other obligations held under this indenture, and to vote upon any or all such shares of stock, for any period fixed or indefinite. In such event, the Trustees shall enter into and on the premises and property so surrendered and delivered, and shall take and receive possession thereof for such period, fixed or indefinite, as aforesaid, without prejudice, however, to the right at any time subsequently, when entitled thereto by any provision hereof, to insist upon maintaining and to maintain such posses-

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sion though beyond the expiration of any such prescribed period, and the Trustees, from the time of their entry upon such premises and property, shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in Section 2 of this Article Seven. Upon application of the Trustees or of the Corporate Trustee, and with the consent of the Railroad Company, if none of the events of default shall have happened, and without such consent if one or more of the events of default shall have happened, a receiver may be appointed to take possession of, and to operate, maintain and manage the whole or any part of the property subject to this indenture, and the 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 18, or otherwise, the net income and profits of such property shall be paid over to, and shall be received by the Corporate Trustee, for the benefit of the holders of the Prior Lien Bonds; provided, however, that, notwithstanding the appointment of any such receiver, the Corporate Trustee, as pledgee, shall be entitled to retain possession and control of any stocks, bonds, cash and other property pledged and held or to be pledged hereunder.

Appointment of receiver.

SECTION 19. No holder of any Prior Lien Bond or coupon shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this indenture, or for the execution of any trust hereunder, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder previously shall have given to the Trustees, by delivery to the Corporate Trustee, written notice that some event of default specified in such notice has happened, nor unless also the holders of twenty per cent. in amount of the Prior Lien Bonds then outstanding shall have made written request upon

Right of bondholder to institute proceedings

the Trustees, filed with the Corporate Trustee, and shall have afforded to the Trustees reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in their own names; nor, unless, also, they shall have offered to the Corporate Trustee adequate security and indemnity to the Trustees against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Corporate Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action for foreclosure or for the appointment of a receiver or for any other remedy hereunder; it being intended that no one or more holders of bonds and coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons.

Remedies
cumulative.

SECTION 20. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustees, or either of them, or to the holders of Prior Lien Bonds is intended to be exclusive of any other remedy or remedies, and 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.

Delay not a waiver.

SECTION 21. No delay or omission of the Trustees, or either of them, or of any holder of Prior Lien Bonds to exercise any right or power accruing upon any default, shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article Seven to the Trus-

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tees, or either of them, and to the bondholders respectively, may be exercised from time to time, and as often as may be deemed expedient, by the Trustees or by the bondholders, respectively.

SECTION 22. In case the Trustees, or either of them, shall have proceeded to enforce any right under this indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustees, then, and in every such case, the Railroad Company and the Trustees shall severally and respectively be restored to their former position and rights hereunder in respect of the trust estate, and all rights, remedies and powers of the Trustees shall continue as though no such proceedings had been taken.

Rights on abandonment of proceedings.

ARTICLE EIGHT.

IMMUNITY OF STOCKHOLDERS, OFFICERS AND DIRECTORS.

No recourse under or upon any obligation, covenant or agreement contained in this indenture, or in any Prior Lien Bond or coupon, or because of the creation of any indebtedness secured by this indenture, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Railroad Company, or of any successor corporation, either directly or through the Railroad Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly agreed and understood that this indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the incorporators, stockholders, officers or directors, as such, of the Railroad Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby secured, or under or

Individuals exempted from liability.

by reason of any of the obligations, covenants or agreements contained in this indenture, or in any of the Prior Lien Bonds or coupons, or implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator, stockholder, officer or director, as such, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this indenture and the issue of the Prior Lien Bonds and coupons.

ARTICLE NINE.

BONDHOLDERS' ACTS, HOLDINGS AND APPARENT AUTHORITY.

Execution and acknowledgment of instruments.

Any demand, request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such demand, request or other instrument, or of the writing appointing any such agent, and of the ownership by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this indenture, and shall be conclusive in favor of the Trustees or of the Railroad Company, with regard to due action taken by the Trustees or either of them or by the Railroad Company under such instrument, if such proof be made in the following manner:

The fact and date of the execution by any person of any such demand, request, or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the State of New York, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

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The fact of the holding by any bondholder of coupon bonds transferable by delivery, and the amounts, series and issue numbers of such bonds, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depository (wherever situated), if such certificate shall be deemed by the Corporate Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository the bonds described in such certificate. For all purposes of any proceeding pursuant to this indenture on the faith of or in accordance with any such request, demand or other instrument purporting to be executed by holders of Prior Lien Bonds for the enforcement hereof or otherwise, such person shall be deemed to continue the holder of such bonds until the Corporate Trustee shall have received notice in writing to the contrary. The ownership of coupon bonds registered as to principal or of registered bonds without coupons shall be proved by the registers of such bonds.

Proof of ownership and amount of bonds.

ARTICLE TEN.

RELEASES OF MORTGAGED PROPERTY.

SECTION 1. The provisions of this Article Ten shall not be deemed in any manner to limit any right or power conferred on the Railroad Company or on any controlled company or subsidiary company of the Railroad Company by other provisions of this indenture but shall be expressly subject thereto.

Provisions of Article Ten subject to other provisions of this indenture.

SECTION 2. From time to time, while the Railroad Company is in possession of the mortgaged premises, but subject to the conditions and limitations in this Article Ten prescribed, and not otherwise, the Railroad Company may sell, and the Trustees, when thereunto authorized as in Section 13

Releases permitted for purposes of sale.

of this Article Ten provided, shall release from the lien and operation of this indenture,

—lines of railway

(a) any part of the lines of railway which, or a leasehold interest in which, are or shall be at any time subject to this indenture, *provided*

(1) that such release does not prevent the maintenance by the Railroad Company, over lines of railway subject to this indenture (either directly or through the pledge or assignment of a majority of the capital stock of the companies owning or controlling through controlled companies or subsidiary companies such lines of railway) or a leasehold interest in which shall be subject to this indenture, of continuous lines of railway between the Red River and (1) the city of St. Louis, Missouri, and (2) the city of Kansas City, Missouri, by routes substantially as direct and available for transportation as the routes over the lines of railway at the date of the execution hereof subject to this indenture (either directly or through the pledge or assignment hereunder of the majority of the capital stock of the companies owning or controlling through controlled companies or subsidiary companies such lines of railway) or a leasehold interest in which is subject to this indenture, and

(2) that it shall no longer be necessary or expedient to retain such part of said lines of railway as a part of the system of railroads subject to this indenture as aforesaid,

and

—other property

(b) any other property not hereinafter in this Article Ten specifically mentioned, which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railway then subject to this indenture, or for use in the business of the Railroad Company.

SECTION 3. The Railroad Company, while in possession of the mortgaged premises, subject to the conditions and limitations in this Article Ten prescribed, and not otherwise, may sell, and the Trustees shall release from the lien of this indenture, any of the stocks or bonds pledged or assigned hereunder, *provided*

Release of securities.

(a) that such release does not prevent the maintenance by the Railroad Company, in the manner set forth in Section 2 of this Article Ten, of continuous lines of railway between the termini in said Section 2 set out, and

(b) that (except in case of the sale of stock of a terminal company) the entire amount pledged or assigned hereunder of stock and bonds of any one corporation shall be sold, and

(c) that it shall no longer be necessary or expedient to retain the same.

SECTION 4. The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 13 of this Article Ten provided, and after receipt of the written consent of the Corporate Trustee, permit any controlled company or subsidiary company of the Railroad Company to sell its railroads or any part thereof, *provided*

Sales by controlled or subsidiary companies.

(a) that the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out, and

(b) that it shall no longer be necessary or expedient to retain such railroads as a part of the system of railroads subject to this indenture as aforesaid;

and the Trustees, the written consent of the Corporate Trustee having been so given, shall do all acts requisite on their part to consummate such sale.

SECTION 5. The Railroad Company while in possession of the mortgaged premises, subject to the conditions and limita-

Leases of land or property.

tions in this Article Ten prescribed and not otherwise, shall have the right to make leases of land or property subject to this indenture, *provided*,

(a) that the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out, and

(b) that it shall no longer be necessary or expedient to retain the lands or property so leased or to be leased for use in the operation of the railroads subject to this indenture or for use in the business of the Railroad Company;

and the Trustees shall do all acts requisite on their part to subordinate the lien of this indenture to any lease so made and to any leasehold interest created by such lease. The interest of the Railroad Company in said leases and contracts, and any rental or other compensation to be received by it thereunder and any reciprocal leases, contracts or other benefits obtained by the Railroad Company in consideration therefor or in connection therewith shall be subject to this indenture. If and to the extent that any such rental or other compensation shall be capitalized, the same shall be paid to the Corporate Trustee, and if and to the extent that the same, although not capitalized, shall be payable in instalments during the term of the lease such instalments, in case, but only in case, an event of default shall have happened, and during the continuance of such event of default, shall be payable to the Corporate Trustee.

—by controlled or
subsidiary
companies.

The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 13 of this Article Ten provided and after receipt of the written consent of the Corporate Trustee, permit any of the controlled companies or subsidiary companies of the Railroad Company to make leases of land or property, *provided*,

(a) that the Railroad Company is not thereby pre-

vented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out, and

(b) that it shall no longer be necessary or expedient to retain the same for use in the operation of the lines of railway of such controlled company or subsidiary company or for use in its business, or for use in the operation of the lines of railway of the Railroad Company, or in the business of the Railroad Company.

SECTION 6. The Railroad Company, subject to the conditions and limitations in this Article Ten prescribed, may sell parts of its tracks or other property, or grant trackage rights over such tracks, or make other arrangements, to or with any terminal company or union depot company or other railroad company with which it may enter into arrangements for joint depot and terminal facilities, *provided*

Sales, grants and arrangements made with respect to terminal or depot facilities,

(a) that the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out, and

(b) that the Railroad Company secures and pledges under this indenture contracts giving it the right to use such union depot or terminal property upon substantially equal terms with the other companies using the same, and

(c) that the value of the property sold or the rights parted with and the value of the rights, moneys and property obtained shall be commensurate;

and the Trustees shall release the property so sold.

The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 13 of this Article Ten provided, and after receipt of the written consent of the Corporate Trustee, permit any controlled com-

—by controlled or subsidiary companies.

pany or subsidiary company of the Railroad Company to make similar sales or arrangements, *provided*

(a) that the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out, and

(b) that such controlled company or subsidiary company making such sale or arrangement secures contracts giving it the right to use such union depot or terminal property upon substantially equal terms with the other companies using the same, and

(c) that the value of the property sold or the rights parted with and the value of the rights, moneys and property obtained shall be commensurate.

Release of abandoned tracks and franchises.

SECTION 7. The Trustees shall, from time to time, release from the lien of this indenture any franchise or portion thereof which is to be or shall have been surrendered by the Railroad Company, and any tracks and structures which are to be or shall have been removed or abandoned by it, *provided*

(a) that such surrender of franchise or such removal or abandonment of tracks or structures shall be or shall have been made pursuant to any agreement with a state, municipality or other political division or subdivision of a state, or to legal requirement, and

(b) that the Railroad Company shall retain all franchises necessary or proper to entitle it to maintain, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out.

Release on decree of court.

SECTION 8. If, by a final decree of any court of competent jurisdiction in the premises, the Railroad Company shall be required to part with the ownership, possession or operation of any portion or portions of the trust estate, then

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and in any such event the portion with which it may be so required to part shall be released from the lien of this indenture

(a) if the Trustees are parties to the action or proceeding in which such decree shall have been entered, on such terms and conditions as in such decree may be prescribed;

(b) if the Trustees are not parties to such action or proceeding, on such terms and conditions as may be satisfactory to the Trustees in their discretion or as may be prescribed by the decree of any court of competent jurisdiction in an action or proceeding brought by the Trustees or to which they are parties.

SECTION 9. The Railroad Company, while in possession of the mortgaged premises, shall also have full power, in its discretion, from time to time, to dispose of any portion of the machinery, equipment and implements at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit for use, replacing the same (except locomotives, tenders, cars or other equipment so disposed of prior to January 1, 1925) by new machinery, equipment or implements of at least equal value, which shall become subject to the lien of this indenture.

Unfit machinery and Equipment.

The Railroad Company may at any time make any change in the location of any of the tracks, station-houses, buildings or other structures upon any part of the mortgaged premises, and the Trustees, upon conveyance to them on the trusts of this indenture of such new tracks, station-houses, buildings or other structures, and the premises on which the same may be erected, and payment to the Corporate Trustee of any net proceeds of such change and substitution, shall, at the request of the Railroad Company, release from the lien of this indenture the tracks, station-houses, buildings and other structures, the location of which shall be so changed, and the premises on

Changes in tracks and structures.

—in leases and contracts.

which they were erected, and shall execute and deliver any and all instruments necessary and proper to effect such purpose. The Railroad Company with the consent of the Trustees may change, amend or supplement any leases, the terms of which extend beyond the latest date of maturity of the Prior Lien Bonds at the time outstanding, whether existing at the date of this indenture or hereafter made, and while in possession of the mortgaged premises, shall have the right without such consent from time to time to change, amend, supplement, surrender and accept the surrender of, in whole or in part, any leases whose terms do not extend beyond the latest date of maturity of the Prior Lien Bonds at the time outstanding, or any leases whatever their term to or with a lessor which, at the time, is a controlled company or subsidiary company of the Railroad Company, or any trackage rights, or any contracts relating to the mortgaged premises, *provided*, that the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the termini in said Section 2 set out.

In such event any changed, amended, or supplemented lease, trackage rights, or contract shall be subject to this indenture in the same manner as that previously existing.

Leases, trackage rights and contracts to be subject to prior lien of this indenture.

The Railroad Company shall have full power to make any lease of, or to grant trackage rights upon, the mortgaged premises or to enter into any contract affecting the same, subject to the prior lien of this indenture, but nothing in this Section 9 contained shall be construed as giving the Railroad Company power to make any such lease, or to grant any such trackage rights, or to enter into any such contract, unless such lease, trackage rights or contract shall be expressly subject to the prior lien of this indenture.

Property of Railroad Company acquired under judicial sales.

SECTION 10. The property of the Railroad Company has been in whole or in part acquired by the Railroad Company under sales made pursuant to (a) a decree entered on

the 30th day of June, 1922, in the District Court of the United States for the Eastern District of Missouri, Eastern Division, (b) a decree entered on the 26th day of June, 1922, in the District Court of the United States for the Western District of Oklahoma, and (c) decrees entered on the 3rd day of July, 1922, in the District Court of the United States for the Northern District of Texas, at Dallas, and by each of said decrees it is among other things provided that the purchasers under such decree, their successors and assigns, shall be allowed one year from the date of taking possession of the property sold within which to elect to adopt or continue in force, or to refuse to adopt or continue in force, any lease, traffic, trackage, terminal, crossing or operating agreement or other contract not fully executed, except as in said decrees specifically provided, which may be included in the property sold to such purchasers or which may constitute an incident thereto or appurtenance thereof.

The Railroad Company shall be entitled in its unrestricted discretion, and without action by the Trustees, to exercise such election and to refuse to adopt or to continue in force any lease, traffic, trackage, terminal, crossing or operating agreement or other contract not fully executed (other than as aforesaid), which may have been included in the property sold pursuant to any of such decrees or which may constitute an incident thereto or appurtenance thereof whether or not constituting part of the property specifically described in this indenture and notwithstanding any provision in this Article Ten or elsewhere in this indenture contained; and its election to refuse to adopt or continue in force any such lease, traffic, trackage, terminal, crossing or operating agreement or other contract not fully executed, shall not be deemed to be a breach of any covenant or agreement on the part of the Railroad Company contained in this indenture, anything to the contrary in this indenture notwithstanding.

SECTION 11. The Railroad Company shall have the right

Railroad Company permitted to adopt or refuse to adopt leases or contracts so acquired.

Right of Railroad Company or controlled or subsidiary company to amend or withdraw from contracts for use of terminals.

in its unrestricted discretion and without action of the Trustees to, or to permit any controlled company or subsidiary company of the Railroad Company to, alter, amend, surrender or withdraw from, or in any manner terminate, any agreement in any form whether by lease, traffic or trackage contract or operating agreement for the use of any part of any terminals owned by any terminal company whether or not a controlled company or a subsidiary company of the Railroad Company or used by the Railroad Company or any controlled company or subsidiary company and wherever such terminals may be situated.

Right to dispose of obligations not pledged under this indenture.

SECTION 12. The Railroad Company shall have the right in its unrestricted discretion and without action of the Trustees to deal with and to dispose of any obligations of any character which it may acquire in the course of current business not specifically pledged under this indenture and in respect of such acquisition of which bonds shall not have been authenticated and delivered under this indenture or under the Adjustment Mortgage.

Certificates to be filed with Trustees

SECTION 13. All action on the part of the Trustees or of the Corporate Trustee called for by this Article Ten shall be requested by resolution of the Board of Directors of the Railroad Company and any action on the part of the Trustees called for by this Article Ten shall require the concurrence of the Corporate Trustee. The Railroad Company, when requesting any action hereunder, shall file with the Corporate Trustee a certificate signed by its President or a Vice-President, and by its Chief Engineer and by its Comptroller, Auditor or other chief accounting officer which shall set forth

(a) a description of the property a release of which, or permission or consent for the sale of which, or other dealing with which, is requested;

(b) the selling price of the property a release of

which is requested, or permission or consent for the sale of which is sought, and a description of the property, if any, to be received in exchange therefor;

(c) that the fair value of such property is not greater than the price at which the same is to be sold or the fair value of the property to be received in exchange; and

(d) such matters as it shall be necessary to establish in order to show that the release of, or other dealing with, the property forming the subject of such request is authorized under the provisions and restrictions of this Article Ten.

Such resolution and certificate may be received by the Trustees as conclusive evidence of any of the facts, or of the continuance of any condition, or of anything, by this Article Ten required to be established or shown in order to authorize the action sought in respect of any property forming the subject of such resolution and certificate, and shall be full warrant to the Trustees for any action taken on the faith thereof; but the Trustees, in their discretion, may require at the cost and expense of the Railroad Company such further and additional evidence as to the Trustees may seem reasonable.

SECTION 14. Unless some other disposition thereof be required by some mortgage, deed of trust, or other instrument prior to this indenture, the proceeds of any and all sales pursuant to this Article Ten of property of the Railroad Company directly subject to the lien of this indenture, and all moneys received as compensation for any such property directly subject to the lien of this indenture taken by exercise of the power of eminent domain, shall, subject as hereinafter provided in this Section 14, be deposited with the Corporate Trustee. In case of the sale

Disposition of
proceeds.

- (1) of a line of railway or other real property, or
- (2) of stocks and bonds,

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not specified in the Granting Clauses, but on account of the acquisition of which bonds shall have been issued or deposited moneys paid out under this indenture or under the Adjustment Mortgage, there shall be deposited with the Corporate Trustee, as aforesaid, an amount in cash at least equal to the face amount of all bonds so issued under this indenture, and, if then undischarged, under the Adjustment Mortgage or of deposited moneys which shall have been so paid out under this indenture and, if then undischarged, under the Adjustment Mortgage. The written statement of the Corporate Trustee under the Adjustment Mortgage, as to the amount of bonds issued or deposited moneys paid out under such mortgage on account of the acquisition of the line of railway or other real property or of the stocks and bonds so sold, shall be full protection to the Trustees and to each of them for any action taken on the faith thereof.

Any moneys received by the Corporate Trustee pursuant to the provisions of this Article Ten shall be held by the Corporate Trustee and, the Railroad Company not being in default under this indenture, may from time to time, at the election of the Railroad Company

(a) be paid over by the Corporate Trustee to the Railroad Company to reimburse in full, without limitation as to their amount, expenditures not otherwise reimbursed, made by the Railroad Company after the receipt of such moneys by the Corporate Trustee for any of the purposes for which Prior Lien Bonds are reserved under Section 4 of Article Two, and without affecting the right of the Railroad Company to obtain the authentication and delivery of bonds reserved under said Section 4 in respect of expenditures not otherwise reimbursed; such payments to be made only in accordance with Section 6 of Article Two, and, except as aforesaid, subject to the restrictions of said Section 6; or

(b) be applied by the Corporate Trustee from time

to time, at the written request of the Railroad Company, to the redemption of Prior Lien Bonds by purchase thereof in the open market at not exceeding par (exclusive of current interest accrued at the time of purchase which the Railroad Company shall provide); any bonds so purchased forthwith to be canceled and, on its written demand, delivered to the Railroad Company.

SECTION 15. In no event shall any purchaser or purchasers of any property sold or disposed of under any provisions of this Article Ten be required to see to the application of the purchase money.

Purchasers
protected

SECTION 16. In case the mortgaged premises shall be in the possession of a receiver lawfully appointed, the powers in and by this Article Ten conferred upon the Railroad Company may be exercised by such receiver with the approval of the Corporate Trustee, and if the Trustees shall be in possession of the mortgaged premises under any provision of this indenture, then all the powers by this Article Ten conferred upon the Railroad Company may be exercised by the Trustees in their discretion.

Powers of receiver
or of Trustees in
possession

SECTION 17. The Trustees may consent to, or join in, any action by the trustee or trustees of any prior mortgage under which stocks or bonds assigned hereunder shall be pledged, which the Trustees by the terms of this Article would be authorized themselves to take if such stocks and bonds were pledged with the Trustees hereunder. The Trustees shall not release from the lien of this indenture any property which shall be subject to the lien of a prior mortgage unless the same shall have been or shall simultaneously be released by the trustee or trustees of such prior mortgage, and no release of any property subject to the lien of the Adjustment Mortgage shall be operative or effective unless and until such property shall have been or shall be released by the Trustees of the

Release of property
subject to prior
mortgage or to
Adjustment
Mortgage.

Adjustment Mortgage if then undischarged, nor shall any consent or permission for action given pursuant to any of the provisions of this Article Ten be operative or effective unless and until the like consent or permission shall have been or shall be given by the Corporate Trustee under the Adjustment Mortgage if then undischarged.

ARTICLE ELEVEN.

CONCERNING THE TRUSTEES.

Acceptance of trusts by Trustees and agreement to execute them upon specified conditions.

SECTION 1. The Trustees accept the trusts of this indenture and agree to execute them upon the following terms and conditions, to which the parties hereto and the holders of the Prior Lien Bonds agree:

—(a) Trustees not responsible for recording,

(a) The Trustees shall be under no obligation to see to the record, registry or filing of this indenture or of any supplemental indenture or to the delivery to the Corporate Trustee of any of the bonds, obligations or stocks specified in the Granting Clauses; or, while not in possession thereof, to see to the insurance of the mortgaged premises, or to the payment of taxes and assessments thereon or on the trust estate; or to the performance or observance of any of the covenants or agreements hereof on the part of the Railroad Company.

—or for insurance or taxes,

—or for performance of covenants by Railroad Company,

—(b) entitled to compensation,

(b) The Trustees shall be entitled to reasonable compensation for all services rendered by them in the execution of the trusts hereby created, and such compensation, as well as all reasonable expenses necessarily incurred and actually disbursed hereunder, together with interest thereon at the rate of six per cent. per annum, the Railroad Company agrees to pay promptly from time to time as such services are rendered and as such expenses are incurred.

—(c) not responsible for recitals,

(c) The Trustees shall not be responsible in any manner whatsoever for the recitals herein contained as

to the acts or powers of the Railroad Company or its stockholders or otherwise, all of which are made by the Railroad Company solely.

(d) Unless and until the Trustees shall have received written notice to the contrary from the holders of not less than twenty per cent. in amount of the Prior Lien Bonds at the time outstanding, in the payment of the interest on which or of the principal of which default shall have been made, the Trustees may, for all the purposes of this indenture, assume that no default has been made in the payment of any of the Prior Lien Bonds or of the interest thereon, and unless and until the Trustees shall have received written notice to the contrary from the holders of not less than twenty per cent. in amount of the Prior Lien Bonds outstanding, the Trustees for all the purposes of this indenture may assume that no default has been made in the observance or performance of any of the covenants contained in the Prior Lien Bonds or in this indenture; that no receiver has been appointed of the Railroad Company or of its lines of railway and property; that the Railroad Company is not in default under this indenture; that none of the events hereinbefore denominated events of default has happened; that no default has been made by any company, stock of which shall be assigned or pledged under this indenture, in the payment of the principal or interest of any bond or obligation; and that no receiver has been appointed of any such company or of its property.

—(d) may assume that Railroad Company has not defaulted until notice from bondholders,

(e) The Trustees shall not be under any obligation to take any action toward the execution or enforcement of the trusts by this indenture created which, in their opinion, will be likely to involve them in expense or liability, unless one or more of the holders of the Prior Lien Bonds shall, as often as required by the Corporate Trustee, furnish reasonable security and indemnity to the

—(e) not required to take action unless indemnified,

Trustees against such expense or liability; nor shall the Trustees be required to take notice of any default hereunder unless notified in writing of such default by the holders of Prior Lien Bonds then outstanding in the amounts specified in the next preceding clause (*d*); or to take any action in respect of any such default involving expense or liability unless requested by an instrument in writing signed by the holders of Prior Lien Bonds then outstanding in the amount specified in said clause (*d*) and unless tendered reasonable security and indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor shall affect any discretion herein given to the Trustees to determine whether or not the Trustees shall take action in respect to such default, or to take action without such request.

—(*e*) may employ agents,

(*f*) The Trustees may employ agents or attorneys in fact, and shall not be answerable for the default or misconduct of any agent or attorney appointed by them in pursuance hereof, if such agent or attorney shall have been selected with reasonable care. Neither of the Trustees shall be responsible for the act or default of the other of them; nor for anything whatever in connection with this trust, except its or his own wilful misconduct or gross negligence.

—not responsible for default of co-trustee,

—(*g*) entitled to indemnity,

(*g*) The Trustees shall be reimbursed and indemnified against any liability or damage they may sustain or incur in the premises, and shall have a lien upon the trust estate under this indenture preferentially to the Prior Lien Bonds for their compensation and expenses, and also for any such liability or damages.

—(*h*) action on advice of counsel protected,

(*h*) The Trustees may advise with legal counsel, and shall be fully protected in respect of any action under this indenture, taken or suffered in good faith by the Trustees,

or either of them, in accordance with the opinion of counsel.

(i) The Trustees need not give to holders of stock or bonds, assigned to the Trustees, or either of them, under any of the provisions of this indenture, notice of the assignment thereof under this indenture, nor need the Trustees see to the application of the Prior Lien Bonds or their proceeds delivered or paid in accordance with the provisions of this indenture.

—(i) not required to give notice of assignment of securities, nor to see to application of proceeds of bonds,

(j) The Trustees shall be protected in acting upon any notice, request, consent, certificate, bond, obligation or other paper or document believed by them to be genuine and to have been signed by the proper party or parties.

—(j) action upon notices, etc., protected,

(k) As to any question of fact necessary to be determined by the Trustees under the provisions hereof and as to the determination of which the method of evidence or proof is not herein specifically provided, the Trustees may rely upon the written certificate of the President or a Vice-President and Treasurer or Assistant Treasurer or Auditor or Comptroller of the Railroad Company, but the Trustees may make independent investigation should they so determine.

—(k) as to question of fact may rely upon certificate,

(l) The Trustees shall not be responsible for the execution or validity of this indenture or of the bonds issued and to be issued hereunder or intended to be secured hereby, nor for the sufficiency of the security provided herein, nor for the genuineness or validity of any securities, leases, instruments, conveyances or assignments of any property intended to be subjected to the lien of this indenture.

—(l) not responsible for execution or validity of indenture or of bonds nor for sufficiency of security,

(m) The Trustees, or either of them, may become the owners or owner of bonds and coupons secured by this indenture with the same rights they, he, or it would have had if not Trustees or Trustee.

—(m) may own bonds and coupons.

**Resignation of
Trustees.**

SECTION 2. The Trustees, or either of them, may resign, and be discharged from the trusts created by this indenture by giving to the Railroad Company notice in writing of such resignation, specifying a date when such resignation shall take effect, which notice shall be published at least once, on a day not less than thirty days nor more than sixty days prior to the date so specified, in a daily newspaper of general circulation in the Borough of Manhattan, in the City of New York, N. Y. Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee or trustees shall be appointed as hereinafter provided in which event such resignation shall take effect immediately upon the appointment of such successor trustee or trustees.

**Removal of
Trustees.**

Either trustee or any successor hereunder may be removed at any time by an instrument in writing signed by the holders of two-thirds in amount of the Prior Lien Bonds at the time outstanding, or their attorneys thereunto duly authorized, and the Individual Trustee or any successor at any time appointed in succession to him, may also at any time be removed by the Corporate Trustee or any trust company appointed in succession to it. Upon resignation or removal, any trustee shall be entitled to the payment of reasonable charges for the services rendered by such trustee in the management of the trust.

**Consolidation or
merger of Corporate
Trustee.**

SECTION 3. Any company into which the Corporate Trustee, or any successor to it in the trusts created by this indenture, may be merged or with which it, or any such successor to it, may be consolidated, or any company resulting from any merger or consolidation to which the Corporate Trustee, or any such successor to it, shall be a party, provided such company shall be a corporation organized under the laws of the State of New York and shall do business in the Borough of Manhattan, in the City of New York, shall be the successor Corporate Trustee under this indenture, without the execution or filing of any paper or any further act on the part of any

of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Prior Lien Bonds shall have been authenticated, but not delivered, any such successor Corporate Trustee may adopt the certificate of authentication of Central Union Trust Company of New York, or of any successor to it, as Corporate Trustee hereunder, and deliver the same so authenticated; and in case any of the Prior Lien Bonds shall not have been authenticated, any successor Corporate Trustee may authenticate such bonds either in the name of any predecessor Corporate Trustee or in the name of such successor Corporate Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said bonds or this indenture provided that the certificate of the Corporate Trustee shall have.

SECTION 4. In case at any time either of the Trustees, or any successor trustee, shall resign or shall be removed or otherwise shall become incapable of acting, or in case a vacancy shall arise from any cause in the trusteeship under this indenture, a successor or successors may be appointed by the holders of a majority in amount of the Prior Lien Bonds then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys in fact duly authorized; but until a new trustee or trustees shall be appointed by the bondholders as herein authorized, the Railroad Company by an instrument executed by order of its board of directors or executive committee, may appoint a trustee or trustees to fill such vacancy. Any trustee appointed under any of the provisions of this Article, in succession to Central Union Trust Company of New York, the Corporate Trustee, or in succession to any such successor, shall be a trust company organized under the laws of the State of New York, having an office in the Borough of Manhattan, in the City of New York and having a capital and surplus aggregating at least ten million dollars (\$10,000,000) and any trustee appointed in succession to said Daniel K. Catlin shall always

Appointment of
successors.

be an individual; but no trustee shall be so appointed by the Railroad Company in succession to the Individual Trustee without the approval of the Corporate Trustee, or the successor at the time being of the Corporate Trustee in the trust, which may be expressed by joining in the instrument of appointment. After any such appointment by the Railroad Company, it shall publish notice of such appointment once in each of four successive weeks, in a daily newspaper of general circulation in the Borough of Manhattan, in the City of New York, and any new trustee or trustees so appointed by the Railroad Company shall immediately and without further act be superseded by a new trustee or trustees appointed in the manner above provided by the holders of a majority in amount of the Prior Lien Bonds, if such appointment by such bondholders be made prior to the expiration of twelve months after the completion of such publication of notice.

Acceptance by new trustee.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Railroad Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of its or his predecessor in the trust hereunder, with like effect as if originally named as trustee herein; but nevertheless, on the written request of the Railroad Company or of the successor trustee or the co-trustee, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the trustee so ceasing to act; and, upon request of any such successor trustee or any co-trustee, the Railroad Company shall make, 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 all such estates, properties, rights, powers and duties. All the conveyances

and instruments hereinbefore provided shall be at the cost of the Railroad Company and its successors.

Until the moneys secured by the Prior Lien Bonds or some one or more of them, shall become payable under the provisions therein or herein contained, or until the Trustees shall, under the provisions hereof, become entitled to enter upon the mortgaged premises, the Corporate Trustee or any trust company appointed trustee hereunder in succession to it, may solely have and exercise the powers, and shall solely be charged with the performance of the duties hereinbefore declared on the part of the Trustees to be had and exercised or to be performed. Any request in writing by the Corporate Trustee or by any trust company appointed in succession to it, to the Individual Trustee hereunder or to any trustee appointed in succession to him, shall be sufficient warrant for the Individual Trustee or his successor taking such action as may be so requested, and full protection for any action taken in accordance with such request. Such Individual Trustee or any successor may delegate to his corporate co-trustee the exercise of any power, discretionary or otherwise, conferred by any of the provisions of this indenture. The said Daniel K. Catlin has been joined as trustee in order to comply with existing statutory requirements respecting trustees under deeds of trust of property in the states, or some of them, in which the mortgaged premises or part thereof are situate, and shall as such trustee possess such powers, and such powers only, as may be necessary to comply with such requirements. In case by reason of the repeal of such requirements, or for any other reason, it shall not be necessary that one of the trustees shall be an individual, said Daniel K. Catlin, or any successor in the trust theretofore appointed in succession to him, shall forthwith cease to be a trustee, and all powers of said Daniel K. Catlin or any trustee successor to him, shall forthwith terminate, as shall his or his successor's right, title or interest in and to the mortgaged premises and other the trust estate, and no successor in the trust to said Daniel K.

Powers of Trustees
inter se.

Catlin shall be appointed, and all the title, rights and powers of the Trustees shall devolve upon the Corporate Trustee and its successors alone. In case the Individual Trustee, or his successor, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of the Trustees hereunder, shall, so far as permitted by law, vest in, and be exercised by, the Corporate Trustee, or its successor in the trust, unless and until there shall be appointed a new trustee as successor to the Individual Trustee.

Appointment of
co-trustees.

SECTION 5. At any time or times, in order to conform to any legal requirement, the Railroad Company and the Corporate Trustee shall have power to appoint, and shall unite in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons, approved by the Corporate Trustee, either to act as co-trustee or co-trustees of all or any of the property subject to the lien hereof, jointly with the Trustees originally named herein, or either of them, or their, or either of their, successors, or to act as separate trustee or trustees of any such property, and in either case with such powers and authority as may be specified in the instrument of appointment.

ARTICLE TWELVE.

POSSESSION UNTIL DEFAULT—DEFEASANCE CLAUSE.

Railroad Company
to retain possession
until default.

SECTION 1. Until some default shall have been made in the due and punctual payment of the interest or of the principal of the Prior Lien Bonds at any time outstanding, or of some part of such interest or principal, or until some one or more of the events of default specified in clauses (c), (d), (e), (f) and (g) of Section 2 of Article Seven shall have happened, the Railroad Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the property subject to this indenture (other than bonds, certi-

ificates of stock, cash and other property assigned or pledged, or to be assigned or pledged, hereunder), and to manage, operate and use the same 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.

The Railroad Company covenants and agrees that from such income, after payment of the operating and maintenance expenses of the mortgaged premises embraced in the trust estate, including taxes, the interest maturing upon the Prior Lien Bonds, so far as such income shall not be applied to the payment of the interest maturing on other bonds or obligations secured by mortgage or other instrument prior in lien to this indenture upon the trust estate, shall first be paid, and such income whether before or after the happening of an event of default and whether the mortgaged premises be operated by the Railroad Company or by the Trustees under any power reserved under this indenture, or by a receiver or receivers appointed by any court at the instance of the Railroad Company or of the Trustees or of any mortgagee, stockholder, creditor or other person interested in the Railroad Company and having the right to apply for such appointment, shall be primarily pledged and applied, subject only as otherwise in this indenture specifically provided, to the payment of the principal and interest of the Prior Lien Bonds.

Covenant to apply
income to payment
of bonds.

bind

SECTION 2. If, when the Prior Lien Bonds shall become due and payable, the Railroad Company shall well and truly pay or cause to be paid the whole amount of the principal and interest due upon all of the Prior Lien Bonds and coupons then outstanding, or shall provide for the payment of such bonds and coupons by depositing with the Corporate Trustee the entire amount due or to become due thereon for principal and interest, and also shall pay or cause to be paid all other sums payable hereunder by the Railroad Company, and shall well and truly keep and perform according to the true intent

Defeasance.

and meaning of this indenture, all covenants herein required to be kept and performed by it, then and in that case at the election of the Railroad Company, all property, rights and interests hereby conveyed or assigned or pledged shall revert to the Railroad Company, and the estate, right, title and interest of the Trustees shall thereupon cease, determine and become void, and the Trustees in such case, on written demand of the Railroad Company, and at its cost and expense, shall enter satisfaction of this indenture upon the record, and shall assign and transfer or cause to be assigned and transferred and shall deliver or cause to be delivered to the Railroad Company all personal property then held by the Trustees hereunder. *Provided*, however, that if any such personal property shall have been delivered to the Trustees or either of them by any person or corporation as provided for in Clause Ninth of the Granting Clauses of this indenture, the same shall be delivered or otherwise disposed of in accordance with any reservations, limitations, conditions or provisions which may have been set forth in the instrument in writing then executed, if any, respecting the use, management or disposition thereof.

ARTICLE THIRTEEN.

CONSOLIDATION, MERGER AND SALE.

This Article subject to Article Six.

SECTION 1. This Article is expressly subject to Article Six and nothing herein contained shall be deemed to limit, restrict or modify any rights, powers or privileges conferred by said Article Six, or to apply to any action taken in pursuance of power and authority granted by said Article Six.

Consolidation, merger or sale permitted.

SECTION 2. Nothing in this indenture shall prevent the Railroad Company from taking over the property of any company, or shall prevent the consolidation with the Railroad Company of any company, or shall prevent the merger of the Railroad Company of any company, or shall prevent:

merger of the Railroad Company shall prevent the property as an entirety that any such consolidation as to preserve and this indenture or any or of the holders of the predecessor corporation from incorporation into which shall, as a part of such consolidation, assume the due and performance of the interest of all the Principal of the covenants and conditions that, as a condition of the Railroad Company's purchase of such property shall the purchase price of the principal of the indenture and the performance of this indenture, and satisfaction of it of such conveyance proper indenture to the Corporate Trustee, shall so assume the due and interest of all the Principal of all the covenants

SECTION 3. In case of a merger with the Railroad Company, the property shall be merged into the property of the Railroad Company, and the property vested in some other company in such consolidation shall have been merged in an entirety with the property of the Railroad Company, executing and causing

merger of the Railroad Company into any company, or shall prevent the sale by the Railroad Company of its property as an entirety to any other company; provided —restrictions. that any such consolidation or merger shall be on such terms as to preserve and not to impair the lien or security of this indenture or any of the rights and powers of the Trustees or of the holders of the Prior Lien Bonds, and that any successor corporation formed by such consolidation, or the corporation into which the Railroad Company shall be merged, shall, as a part of such consolidation or merger, expressly assume the due and punctual payment of the principal and interest of all the Prior Lien Bonds and the performance of all the covenants and conditions of this indenture; and provided that, as a condition of any such sale of the property of the Railroad Company as an entirety, the corporation to which such property shall be sold as an entirety shall, as a part of the purchase price thereof, assume the due and punctual payment of the principal and interest of all the Prior Lien Bonds and the performance of all the covenants and conditions of this indenture, and shall, simultaneously with the delivery to it of such conveyance, deliver to the Corporate Trustee a proper indenture to the Trustees, in form satisfactory to the Corporate Trustee, whereby such purchasing corporation shall so assume the due and punctual payment of the principal and interest of all the Prior Lien Bonds and the performance of all the covenants and conditions of this indenture.

SECTION 3. In case any company shall be consolidated with the Railroad Company, or in case the Railroad Company shall be merged into any other company, or in case the property of the Railroad Company as an entirety shall become vested in some other company, the company formed by such consolidation or into which the Railroad Company shall have been merged, or which shall have become vested as an entirety with the property of the Railroad Company upon executing and causing to be recorded an indenture with the

Substitution of
successors for
Railroad Company.

Trustees to the effect provided by Section 2 of this Article Thirteen, or, in case of Federal incorporation, the Federal corporation, upon executing and causing to be recorded an indenture with the Trustees whereby said Federal corporation shall assume this indenture and the payment of the Prior Lien Bonds, principal and interest, in accordance with the terms of said bonds and of this indenture, shall succeed to and be substituted for the Railroad Company, with the same effect as if it had been named herein as the party of the first part hereto, and such corporation may thereupon cause to be signed and may issue, either in its own name or in the name of the Railroad Company, any or all of the Prior Lien Bonds which shall not theretofore have been signed by the Railroad Company and delivered to the Corporate Trustee, and the Corporate Trustee, upon the order of such corporation, in lieu of the Railroad Company, and subject to all the terms, conditions and restrictions herein prescribed, shall authenticate any and all bonds which shall have been previously signed by the officers of the Railroad Company and delivered to the Corporate Trustee for authentication, and any of such bonds which such corporation shall thereafter cause to be signed and delivered to the Corporate Trustee for that purpose. All bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore or thereafter issued in accordance with the terms of this indenture as though all of said bonds had been actually issued by the Railroad Company as of the date of the execution hereof.

Term "Railroad Company" includes successors.

SECTION 4. For every purpose of this indenture, including the execution, issue and use of any and all the Prior Lien Bonds, the term Railroad Company includes and means not only Missouri-Kansas-Texas Railroad Company, but also any such successor corporation. Every such successor corporation shall possess, and from time to time may exercise, each and every right and power hereunder of Missouri-Kansas-Texas Railroad Company, in its name or otherwise, and any

act or proceeding by any provision of this indenture required to be done or performed by any board or officer of the Railroad Company may be done and performed with like force and effect by the like board or officer of any corporation that shall at the time be such lawful successor of the Railroad Company.

SECTION 5. Nevertheless, before the exercise of the powers conferred by this Article Thirteen, the Railroad Company, by instrument in writing executed by authority of two-thirds of its Board of Directors and delivered to the Corporate Trustee, may surrender any of the powers reserved to the Railroad Company or to such successor or purchasing corporation; and thereupon such power so surrendered shall terminate.

Surrender of powers.

ARTICLE FOURTEEN.

SUNDRY PROVISIONS.

SECTION 1. All the covenants, stipulations, promises and agreements in this indenture contained by or on behalf of the Railroad Company, shall bind its successors and assigns, whether so expressed or not.

Covenants to bind successors and assigns.

SECTION 2. Except where the context otherwise requires,

Definitions.

(a) the words, the Trustees, as used in this indenture shall be held and construed to mean the Trustees or Trustee for the time being under this indenture whether original or successor;

(b) the words, the Corporate Trustee, shall be held and construed to mean the Corporate Trustee for the time being whether original or successor;

(c) the words, the Individual Trustee, shall be held and construed to mean the Individual Trustee for the time being whether original or successor;

(d) the words Trustees, bonds, bondholders and holders shall include both the singular and plural number;

(e) the word majority shall mean majority in amount; and

(f) the term securities shall include corporate stocks.

Execution in counterparts.

SECTION 3. In order to facilitate the record of this indenture, the same may be simultaneously executed in fifty 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 FIFTEEN.

PARTIES IN INTEREST.

Rights confined to parties and bondholders.

Nothing in this indenture expressed or implied is intended, or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the Prior Lien Bonds, any right, remedy or claim, under or by reason of this indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this indenture contained by or on behalf of the Railroad Company shall be for the sole and exclusive benefit of the parties hereto and of the holders of the Prior Lien Bonds.

Acceptance of Trustees.

Central Union Trust Company of New York and Daniel K. Catlin of the City of St. Louis, in the State of Missouri, the Trustees, the parties hereto of the second part, hereby accept the trust in this indenture declared and provided, and agree to perform the same upon the terms and conditions hereinbefore set forth.

Testimonium.

IN WITNESS WHEREOF, Missouri-Kansas-Texas Railroad Company, the party hereto of the first part, has caused this indenture to be signed and acknowledged or proved by its President or 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 Central Union Trust Company of New York, one of the parties hereto of the second part, has caused this indenture 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 its Secretary or an Assistant Secretary, and Daniel K. Catlin, the other of the parties hereto of the second part, has hereunto set his hand and seal as of the first day of January in the year 1922.

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, Signatures and
seals.
[Corporate Seal] by CHARLES E. SCHAFF
President.

Attest:
E. W. PEABODY
Secretary.

CENTRAL UNION TRUST COMPANY OF NEW YORK,
[Corporate Seal] by J. V. B. THAYER
Vice-President.

Attest:
F. WOLFE
Assistant Secretary.

DANIEL K. CATLIN [L. S.]

Signed, sealed and delivered in
presence of:

N. A. PHILLIPS
JAMES G. BLAINE

As to Missouri-Kansas-Texas
Railroad Company:
GUSTAV S. FISCHER
PAUL NEWTON

As to Central Union Trust
Company of New York:

As to Daniel K. Catlin:
JAMES G. BLAINE
C. S. BURG

Acknowledgments
and County Clerks'
Certificates.

STATE OF MISSOURI, }
City of St. Louis, } ss.:

Before me, a Notary Public in and for said City and State, on this 17th day of March, in the year 1923, before me personally came and appeared Charles E. Schaff, to me personally known and to me known to be the identical person who subscribed the name of Missouri-Kansas-Texas Railroad Company, one of the makers thereof, to the foregoing instrument as its President, and personally known to me to be such President, who, being by me duly sworn, did depose and say, that he resides in the City of Houston, State of Texas; that he is the President of Missouri-Kansas-Texas Railroad Company, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by the order and authority of its stockholders and Board of Directors; and that he signed his name thereto by like order and authority; and said Charles E. Schaff acknowledged to me that he executed the same as his free and voluntary act and deed and the free and voluntary act and deed of said corporation, Missouri-Kansas-Texas Railroad Company, for the uses and purposes therein set forth.

My commission as a Notary Public commenced on the 26th day of February, 1923, and will expire on the 25th day of February, 1927.

Given under and witness my official seal as such Notary Public at my office in St. Louis aforesaid, this 17th day of March, 1923.

WM. E. WITTRIG

[Notarial
Seal]

*Notary Public within and for the City of
St. Louis, State of Missouri.*

State of Missouri, }
City of St. Louis, } ss.:

(Official Seal of
Circuit Court St.
Louis, Missouri)

Fee, 50 cts. Re-
vised Statutes
of Missouri,
1919, Sec. 10994.

I, JOHN SCHMOLL, Clerk of the Circuit Court, City of St. Louis, the same being a Court of Record in and for said City and State, certify that, WM. E. WITTRIG, whose name is subscribed to the Acknowledgment of the annexed instrument, dated March 17th, 1923, was on said date a Notary Public, in and for said City, duly commissioned, qualified and sworn and authorized by the laws of this State, to administer oaths and take the acknowledgments of deeds; that I am well acquainted with his handwriting and verily believe that the signature thereto is genuine, and that to all official acts full faith and credit are and ought to be given, WM. E. WITTRIG.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affix the seal of said Court, at office, in the City of St. Louis, this 19th day of March, nineteen hundred and twenty-three.

JOHN SCHMOLL,
Clerk, Circuit Court.

STATE OF MISSOURI, }
City of St. Louis, } ss.:

Before me, a Notary Public in and for said City and State, on this 17th day of March, in the year 1923, before me personally came and appeared E. W. Peabody, to me personally known and to me known to be the identical person who subscribed the name of Missouri-Kansas-Texas Railroad Company, one of the makers thereof, to the foregoing instrument as its Secretary, and personally known to me to be such Secretary, who, being by me duly sworn, did depose and say, that he resides in the City of St. Louis, State of Mo.; that he is the Secretary of Missouri-Kansas-Texas Railroad Company, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by the order and authority of its stockholders and Board of Directors; and that he signed his name thereto by like order and authority; and said E. W. Peabody acknowledged to me that he executed the same as his free and voluntary act and deed and the free and voluntary act and deed of said corporation, Missouri-Kansas-Texas Railroad Company, for the uses and purposes therein set forth.

My commission as a Notary Public commenced on the 26th day of February, 1923, and will expire on the 25th day of February, 1927.

Given under and witness my official seal as such Notary Public at my office in St. Louis aforesaid, this 17th day of March, 1923.

WM. E. WITTRIG

Notary Public within and for the City of St. Louis, State of Missouri.

[Notarial Seal]

State of Missouri, }
City of St. Louis, } ss.:

I, JOHN SCHMOLL, Clerk of the Circuit Court, City of St. Louis, the same being a Court of Record in and for said City and State, certify that, WM. E. WITTRIG, whose name is subscribed to the Acknowledgment of the annexed instrument, dated March 17th, 1923, was on said date a Notary Public, in and for said City, duly commissioned, qualified and sworn and authorized by the laws of this State, to administer oaths and take the acknowledgments of deeds; that I am well acquainted with his handwriting and verily believe that the signature thereto is genuine, and that to all official acts full faith and credit are and ought to be given, WM. E. WITTRIG.

Fee, 50 cts. Revised Statutes of Missouri, 1919, Sec. 10994.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affix the seal of said Court, at office, in the City of St. Louis, this 19th day of March, nineteen hundred and twenty-three.

JOHN SCHMOLL
Clerk, Circuit Court.

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STATE OF NEW YORK, }
 County of New York, } ss.:

Before me, a Notary Public in and for said County and State, on this 22nd day of March, in the year 1923, before me personally came and appeared J. V. B. Thayer, to me personally known and to me known to be the identical person who subscribed the name of Central Union Trust Company of New York, one of the makers thereof, to the foregoing instrument as its Vice-President, and personally known to me to be such Vice-President, who, being by me duly sworn, did depose and say, that he resides in the City of New York, State of New York; that he is a Vice-President of Central Union Trust Company of New York, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by the order and authority of its stockholders and board of trustees; and that he signed his name thereto by like order and authority; and said J. V. B. Thayer acknowledged to me that he executed the same as his free and voluntary act and deed and the free and voluntary act and deed of said corporation, Central Union Trust Company of New York, for the uses and purposes therein set forth.

My commission as a Notary Public commenced on the 31st day of March, 1921, and will expire on the 30th day of March, 1923.

Given under and witness my official seal as such Notary Public at my office in New York aforesaid, this 22nd day of March, 1923.

ALBERT F. SMITH

*Notary Public within and for the County
 and State of New York.*

[Notarial
 Seal]

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

I, JAMES A. DONEGAN, Clerk of the County of New York, and also Clerk of the Supreme Court for the said County, the same being a Court of Record, DO HEREBY CERTIFY, That ALBERT F. SMITH, whose name is subscribed to the deposition or certificate of the proof or acknowledgment of the annexed instrument, and thereon written, was, at the time of taking such deposition or proof and acknowledgment, a Notary Public in and for such County, duly commissioned and sworn, and authorized by the laws of said State, to take depositions and to administer oaths to be used in any Court of said State and for general purposes; and also to take acknowledgments and proofs of deeds, of conveyances for land, tenements or hereditaments in said State of New York. And further, that I am well acquainted with the handwriting of such Notary Public, and verily believe that the signature to said deposition or certificate of proof or acknowledgment is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, the 22nd day of March, 1923.

[Official Seal]

JAMES A. DONEGAN
 Clerk.

STATE OF NEW YORK, }
 County of New York, } ss.:

Before me, a Notary Public in and for said County and State, on this 22nd day of March, in the year 1923, before me personally came and appeared F. WOLFE, to me personally known and to me known to be the identical person who subscribed the name of Central Union Trust Company of New York, one of the makers thereof, to the foregoing instrument as its Assistant Secretary, and personally known to me to be such Assistant Secretary, who, being by me duly sworn, did depose and say, that he resides in the City of New York, State of New York; that he is an Assistant Secretary of Central Union Trust Company of New York, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by the order and authority of its stockholders and board of trustees; and that he signed his name thereto by like order and authority; and said F. WOLFE acknowledged to me that he executed the same as his free and voluntary act and deed and the free and voluntary act and deed of said corporation, Central Union Trust Company of New York, for the uses and purposes therein set forth.

My commission as a Notary Public commenced on the 31st day of March, 1921, and will expire on the 30th day of March, 1923.

Given under and witness my official seal as such Notary Public at my office in St. Louis aforesaid, this 22nd day of March, 1923.

ALBERT F. SMITH

*Notary Public within and for the County
 and State of New York.*

[Notarial
 Seal]

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

I, JAMES A. DONEGAN, Clerk of the County of New York, and also Clerk of the Supreme Court for the said County, the same being a Court of Record, DO HEREBY CERTIFY, That ALBERT F. SMITH, whose name is subscribed to the deposition or certificate of the proof or acknowledgment of the annexed instrument, and thereon written, was, at the time of taking such deposition or proof and acknowledgment, a Notary Public in and for said County, duly commissioned and sworn, and authorized by the laws of said State, to take depositions and to administer oaths to be used in any Court of said State and for general purposes; and also to take acknowledgments and proofs of deeds, of conveyances for land, tenements or hereditaments in said State of New York. And further, that I am well acquainted with the handwriting of such Notary Public, and verily believe that the signature to said deposition or certificate of proof or acknowledgment is genuine.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, the 22nd day of March, 1923.

[Official Seal]

JAMES A. DONEGAN
 Clerk.

STATE OF MISSOURI, }
 City of St. Louis, } ss.:

Before me, a Notary Public, in and for said City and State, on this 17th day of March in the year 1923, before me personally came and appeared Daniel K. Catlin, to me personally known and known to me to be the identical person described in and who executed the within and foregoing instrument, and he acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

My commission as a Notary Public commenced on the 26th day of February, 1923, and will expire on the 25th day of February, 1927.

Given under and witness my official seal as such Notary Public at my office in St. Louis aforesaid, this 17th day of March, 1923.

[Notarial
Seal]

WM. E. WITTRIG

*Notary Public within and for the City of
 St. Louis, State of Missouri.*

State of Missouri, }
 City of St. Louis, } ss.:

I, JOHN SCHMOLL, Clerk of the Circuit Court, City of St. Louis, the same being a Court of Record in and for said City and State, certify that, WM. E. WITTRIG, whose name is subscribed to the Acknowledgment of the annexed instrument, dated March 17th, 1923, was on said date a Notary Public, in and for said City, duly commissioned, qualified and sworn and authorized by the laws of this State, to administer oaths and take the acknowledgments of deeds; that I am well acquainted with his handwriting and verily believe that the signature thereto is genuine, and that to all official acts full faith and credit are and ought to be given, WM. E. WITTRIG.

(Official Seal of
Circuit Court St.
Louis, Missouri)

Fee, 50 cts. Re-
vised Statutes
of Missouri,
1919, Sec. 10994.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affix the seal of said Court, at office, in the City of St. Louis, this 19th day of March, nineteen hundred and twenty-three.

JOHN SCHMOLL
 Clerk, Circuit Court.