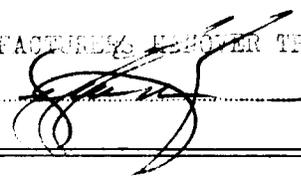


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CERTIFIED TO BE A TRUE AND  
CORRECT COPY.

MANUFACTURERS TRUST COMPANY, Trustee

By 

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SAINT PAUL AND DULUTH RAILROAD COMPANY

TO

CENTRAL TRUST COMPANY OF NEW YORK

**First Mortgage**

Dated July 1st, 1881

**This Indenture**, Made this first day of July, A. D. one thousand eight hundred and eighty-one, between the SAINT PAUL AND DULUTH RAILROAD COMPANY, a corporation organized and existing under the laws of the State of Minnesota, party of the first part, and the CENTRAL TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, party of the second part.

WHEREAS, The party of the first part is the successor of the Lake Superior and Mississippi Railroad Company, a corporation heretofore existing in said State of Minnesota under an act of the Legislative Assembly of the late Territory of Minnesota entitled an "Act to incorporate the Nebraska and Lake Superior Railroad Company," approved May 23, A. D. 1857, and especially under the provisions of an act of the Legislature of the State of Minnesota entitled "An act to amend an act to incorporate the Nebraska and Lake Superior Railroad Company," approved March 8, 1861, by which last named act, amongst other things, the corporate name of said company was changed to that of "The Lake Superior and Mississippi Railroad Company," which said last above named corporation, under said legislative acts, and the several acts amendatory thereof, was empowered to locate, construct, maintain and perpetually operate and at pleasure to change the line thereof, a railroad with one or more tracks, or lines of rail, connecting the waters of Lake Superior with the Mississippi River at St. Paul, in said State, with the right to extend the same to the Minnesota River, and also to construct a branch railroad from said line to the navigable waters of the St. Croix River, together with all proper stations, turnouts, depots, engines, cars, and other appurtenances and furniture for a railroad, with power to acquire, by purchase or condemnation, all lands necessary or convenient for the purposes of said railroad, and to hold the fee-simple of

all lands along the line of said railroad, or otherwise granted by the Congress of the United States, or by said State of Minnesota, to said corporation, for the purpose of aiding in the construction of said railroad, and to receive title thereto, and convey the same in fee-simple or otherwise; under and in pursuance of said legislative acts, and the acts amendatory thereof, the said the Lake Superior and Mississippi Railroad Company did construct said line of railroad from St. Paul, in Ramsey County, to Lake Superior, at Duluth, in St. Louis County, in said State, a distance of 156 Miles, more or less, and did acquire the right of way therefor, and other the lands, franchises, rights, privileges and premises in said legislative acts named; and the said last named company so owning said line of railroad, on the first day of January, 1872, sold and conveyed to the Northern Pacific Railroad Company a joint and undivided interest in that part of said line of said railroad between the junction of said Northern Pacific Railroad near Thompson, in Carlton County, in said State, and Duluth, in the County of St. Louis, to be used in common and jointly maintained by said Lake Superior and Mississippi Railroad Company and said Northern Pacific Railroad Company, and their respective successors and assigns, to all which said railroad property, lands, premises, franchises, and immunities so held, conferred upon, or in any manner acquired, possessed, or used by the said the Lake Superior and Mississippi Railroad Company, the party of the first part hereto, on the twenty-seventh day of June, A. D. 1877, became possessed and absolutely invested therewith, and, as such successor, owns the same, subject only to the said rights so, as aforesaid, conveyed to said Northern Pacific Railroad Company, which said line of railroad the party of the first part hereto is lawfully entitled to possess, use and perpetually operate, and to have and receive the tolls and earnings thereof.

AND WHEREAS, ALSO, The said party of the first part has, since it so acquired the said railroad and property of said

Lake Superior and Mississippi Railroad Company, constructed a certain branch railroad, connecting with its said main line at or near the junction of said line with the railroad of the Northern Pacific Railroad Company, in Carlton County, in said State, and extending thence to Knife Falls, in said Carlton County, a distance of seven miles, more or less, which said branch line is connected with and operated in connection with said main line, and owns and lawfully possesses the same.

AND WHEREAS, The said party of the first part is the lessee of the railroad of the Stillwater and St. Paul Railroad Company, extending from the City of Stillwater, in Washington County, in said State, to a junction with said main line of railroad of said first party at White Bear Lake, in Ramsey County, aforesaid, a distance of thirteen and seven tenths miles, more or less, with a right to use and operate the same for the term of nine hundred and ninety-nine years from and after January 1, 1871, which said leased railroad is possessed by said first party, and operated in connection with said main line; and also the said party of the first part is also the assignee of an undivided interest in a certain indenture of lease made by the Taylor's Falls and Lake Superior Railroad Company to the Minneapolis and St. Louis Railway Company, corporations existing in said State, of the railroad of said Taylor's Falls and Lake Superior Railroad Company, extending from a point of junction with the main line of said party of the first part hereto, at Wyoming, in Chisago County, to Taylor's Falls, in said Chisago County, in said State, a distance of twenty-one miles, more or less; the said Minneapolis and St. Louis Railway Company, and the party of the first part hereto, each having the right to jointly use the same for the operation of its own trains, and each to bear the expense of repairing and maintaining the said line of railroad in proportion to the respective wheelage of the two companies thereover, which said branch line, and said leased lines, the said party of the first

## UNITED STATES OF AMERICA.

No.....

\$1,000.

State of Minnesota.

SAINT PAUL AND DULUTH RAILROAD COMPANY FIRST  
MORTGAGE FIVE PER CENT. BOND.

KNOW ALL MEN BY THESE PRESENTS, That the SAINT PAUL AND DULUTH RAILROAD COMPANY is indebted to the CENTRAL TRUST COMPANY OF NEW YORK, or bearer, in the sum of one thousand dollars, lawful money of the United States of America, which indebtedness it promises to pay to the said CENTRAL TRUST COMPANY OF NEW YORK, or to the bearer hereof, on the first day of August, one thousand nine hundred and thirty-one, at the office or agency of said railroad company in the City of New York, with interest thereon, in the mean time, at the rate of five per cent. per annum, payable semi-annually on the first day of February and August of each year, at said office or agency, upon presentation and surrender of the annexed coupons as they severally fall due; and in case of default of the payment of any half-yearly instalment of interest which shall have become payable and shall have been demanded by presentation, at said office or agency in the City of New York, of the coupons therefor, and the continuance of such default for the period of six months after the maturity of such instalments, the principal of this bond shall become due, in the manner and with the effect and subject to the conditions provided in the mortgage of deed of trust securing payment of the same, hereinafter mentioned. This is one of a series of bonds, all of like amount, tenor, and effect, issued and to be issued, to an aggregate amount of not exceeding one million of dollars, for the purpose of improvement, repair, replacement with steel rail, equipment, refurnishing, and providing facilities for the operation, maintenance, and business of said railroad, branches, and leased lines, and to extinguish any indebtedness incurred in such improvement, repairs, or equipment.

The payment of each and all the bonds of said series, together with the interest thereon, without reference to the time when said bonds shall be actually issued, is secured by a mortgage or trust deed bearing date the first day of July, A. D. one thousand eight hundred and eighty-one, duly executed by the said SAINT PAUL AND DULUTH RAILROAD COMPANY to said CENTRAL TRUST COMPANY OF NEW YORK, Trustee, conveying the railway of the said railroad company constructed or to be constructed, or acquired by lease or otherwise, and generally all equipments, appurtenances, property, revenues, and franchises in said mortgage or deed of trust mentioned, reference to which is made for greater certainty. This bond shall pass by delivery or by transfer on the books of said company in the City of New York, after a registration of ownership certified hereon by the transfer agent of said company. No transfer upon the books of the company shall be valid unless the last transfer shall have been to bearer, and the transferability by delivery thereby restored; but this bond shall be subject to successive registrations and transfer to bearer, as aforesaid, at the option of the holder. This bond shall not become obligatory until it shall have been authenticated by a certificate endorsed hereon, duly signed by the Trustee, to the effect that the same is properly issued.

IN WITNESS WHEREOF, The "SAINT PAUL AND DULUTH RAILROAD COMPANY" has caused its corporate seal to be hereto affixed, and the same to be attested by the signature of its President and Secretary, and has caused the coupons hereto annexed to bear the engraved fac simile of the signature of its Treasurer, on the  
 day of A. D. one thousand eight  
 hundred and eighty-one.

SAINT PAUL AND DULUTH RAILROAD COMPANY

.....

President.

(Corporate)

( Seal )

.....

Secretary.

TRUSTEE'S CERTIFICATE

This is one of a series of bonds, amounting in the aggregate to one million dollars, issued by the SAINT PAUL AND DULUTH RAILROAD COMPANY, secured by a mortgage on its line of road and other property in said mortgage mentioned, acquired and to be acquired, which has been duly executed and recorded; and this bond has been issued in accordance with the provisions of said mortgage.

.....  
Trustee.

FORM OF COUPON.

\$25.00

THE SAINT PAUL AND DULUTH RAILROAD COMPANY will pay to the bearer twenty-five dollars, at the office or agency of the company, in the City of New York, on the \_\_\_\_\_ day of \_\_\_\_\_ A. D. \_\_\_\_\_, being six months' interest on its first mortgage bond No. \_\_\_\_\_.

.....  
Treasurer.

NOW, THEREFORE, In consideration of the premises, and in consideration of the sum of one dollar to the party of the first part duly paid by said CENTRAL TRUST COMPANY OF NEW YORK, party of the second part, aforesaid, the receipt whereof is hereby acknowledged, and in the execution of the statutory powers in this behalf conferred by the Legislature of the State of Minnesota, and pursuant in all things to the terms and provisions of the resolutions of the stockholders and Board of Directors of the party of the first part duly adopted:

THIS INDENTURE WITNESSETH, That the said the SAINT PAUL AND DULUTH RAILROAD COMPANY hath granted, bar-

## UNITED STATES OF AMERICA.

No.....

\$1,000.

State of Minnesota.

SAINT PAUL AND DULUTH RAILROAD COMPANY FIRST  
MORTGAGE FIVE PER CENT. BOND.

KNOW ALL MEN BY THESE PRESENTS, That the SAINT PAUL AND DULUTH RAILROAD COMPANY is indebted to the CENTRAL TRUST COMPANY OF NEW YORK, or bearer, in the sum of one thousand dollars, lawful money of the United States of America, which indebtedness it promises to pay to the said CENTRAL TRUST COMPANY OF NEW YORK, or to the bearer hereof, on the first day of August, one thousand nine hundred and thirty-one, at the office or agency of said railroad company in the City of New York, with interest thereon, in the mean time, at the rate of five per cent. per annum, payable semi-annually on the first day of February and August of each year, at said office or agency, upon presentation and surrender of the annexed coupons as they severally fall due; and in case of default of the payment of any half-yearly instalment of interest which shall have become payable and shall have been demanded by presentation, at said office or agency in the City of New York, of the coupons therefor, and the continuance of such default for the period of six months after the maturity of such instalments, the principal of this bond shall become due, in the manner and with the effect and subject to the conditions provided in the mortgage of deed of trust securing payment of the same, hereinafter mentioned. This is one of a series of bonds, all of like amount, tenor, and effect, issued and to be issued, to an aggregate amount of not exceeding one million of dollars, for the purpose of improvement, repair, replacement with steel rail, equipment, refurnishing, and providing facilities for the operation, maintenance, and business of said railroad, branches, and leased lines, and to extinguish any indebtedness incurred in such improvement, repairs, or equipment.

The payment of each and all the bonds of said series, together with the interest thereon, without reference to the time when said bonds shall be actually issued, is secured by a mortgage or trust deed bearing date the first day of July, A. D. one thousand eight hundred and eighty-one, duly executed by the said SAINT PAUL AND DULUTH RAILROAD COMPANY to said CENTRAL TRUST COMPANY OF NEW YORK, Trustee, conveying the railway of the said railroad company constructed or to be constructed, or acquired by lease or otherwise, and generally all equipments, appurtenances, property, revenues, and franchises in said mortgage or deed of trust mentioned, reference to which is made for greater certainty. This bond shall pass by delivery or by transfer on the books of said company in the City of New York, after a registration of ownership certified hereon by the transfer agent of said company. No transfer upon the books of the company shall be valid unless the last transfer shall have been to bearer, and the transferability by delivery thereby restored; but this bond shall be subject to successive registrations and transfer to bearer, as aforesaid, at the option of the holder. This bond shall not become obligatory until it shall have been authenticated by a certificate endorsed hereon, duly signed by the Trustee, to the effect that the same is properly issued.

IN WITNESS WHEREOF, The "SAINT PAUL AND DULUTH RAILROAD COMPANY" has caused its corporate seal to be hereto affixed, and the same to be attested by the signature of its President and Secretary, and has caused the coupons hereto annexed to bear the engraved fac simile of the signature of its Treasurer, on the  
 day of A. D. one thousand eight hundred and eighty-one.

SAINT PAUL AND DULUTH RAILROAD COMPANY

.....

President.

(Corporate)

( Seal )

.....

Secretary.

TRUSTEE'S CERTIFICATE

This is one of a series of bonds, amounting in the aggregate to one million dollars, issued by the SAINT PAUL AND DULUTH RAILROAD COMPANY, secured by a mortgage on its line of road and other property in said mortgage mentioned, acquired and to be acquired, which has been duly executed and recorded; and this bond has been issued in accordance with the provisions of said mortgage.

.....  
Trustee.

FORM OF COUPON.

\$25.00

THE SAINT PAUL AND DULUTH RAILROAD COMPANY will pay to the bearer twenty-five dollars, at the office or agency of the company, in the City of New York, on the \_\_\_\_\_ day of \_\_\_\_\_ A. D. \_\_\_\_\_, being six months' interest on its first mortgage bond No. \_\_\_\_\_.

.....  
Treasurer.

NOW, THEREFORE, In consideration of the premises, and in consideration of the sum of one dollar to the party of the first part duly paid by said CENTRAL TRUST COMPANY OF NEW YORK, party of the second part, aforesaid, the receipt whereof is hereby acknowledged, and in the execution of the statutory powers in this behalf conferred by the Legislature of the State of Minnesota, and pursuant in all things to the terms and provisions of the resolutions of the stockholders and Board of Directors of the party of the first part duly adopted:

THIS INDENTURE WITNESSETH, That the said the SAINT PAUL AND DULUTH RAILROAD COMPANY hath granted, bar-

gained, sold and assigned, and by these presents doth hereby grant, bargain, sell, convey, assign, transfer, and set over unto the said CENTRAL TRUST COMPANY OF NEW YORK, and successors in this Trust, all and singular the railroad of said party of the first part, being the line of railway extending from a point two hundred feet south of the intersection of the track of the said railway with the centre line of Third Street, in the City of St. Paul, in Ramsey County, in said State, to Lake Superior, at Duluth, in said St. Louis County, in said State, (subject to the joint interest of said the Northern Pacific Railroad Company in that part of said line of railroad from said point of junction in Carlton County to Duluth), together with all and singular the tracks, side-tracks or lines of rail, right of way, depot grounds, and all lands and premises used in connection with the operation and maintenance of said railroad, or necessary or convenient therefor, now owned, held or possessed by the party of the first part, or may hereafter be acquired, and all tracks, bridges, viaducts, culverts, fences and other structures, all depots, station houses, engine houses, car houses, wood houses, freight houses, all machine and other shops, fixtures or property now held, owned or possessed by said first party, or that may be hereafter constructed, provided or acquired in connection with or in anywise pertaining to said railroad, or branch or leased railroads, of the said party of the first part, and also said branch railroad extending from said Northern Pacific Junction to Knife Falls, in said County of Carlton, with the right of way, grounds, buildings, tracks, side tracks, and all and singular the fixtures or appurtenances connected therewith or now held, owned or possessed by said party of the first part, or that may hereafter be acquired; and all and singular the rights, property, leasehold estate, right, title and interest of said party of the first part in or to the said leased railroad extending from said junction, at or near White Bear Lake, to Stillwater, in said State, and also the leasehold estate and interest,

any loss, misapplication, or non-application of such purchase money, or any part thereof, or to be obliged to inquire into the necessity or expediency of or for any such sale; *provided, however*, that no sale shall be made by said Trustee as aforesaid except upon demand of the holders of not less than one hundred of the said bonds then outstanding; and, even in the event of such demand, no sale shall take place if the holders of the majority of all the bonds then out standing shall, by themselves or by their attorneys in fact, file with said Trustee a written instrument objecting to such sale.

ARTICLE FOURTH—In case the party of the first part, or its successors, shall make default in payment of any interest or any of the said bonds, according to the tenor thereof, or of the coupons thereto annexed, (the payment of interest having been demanded by presentation at the company's office or agency in the City of New York of the coupons therefor,) and such default shall continue for the period of six months after such demand, then and thereupon the principal of all of said bonds shall, at the election of said Trustee, to be signified to the party of the first part, or its successors, by the said Trustee, in writing, become immediately due and payable; *provided, nevertheless*, that at any time after such default shall have been so made, and have continued as aforesaid, and before the actual payment of the principal, it shall be lawful for a majority in interest of the holders of the said bonds for the time being to direct the Trustee either forthwith to exercise its said power of declaring the principal of said bonds due and payable, or to waive the exercise of the said power, (if unexercised,) or to withdraw and annul the exercise thereof (if exercised) either absolutely or with the consent of the party of the first part, or its successors, and to direct the said Trustee to dismiss any suit brought against said company upon any bond secured by this mortgage, and release and discharge any judgment or decree obtained thereon, on

such terms as may be directed by the said majority, by the same instrument; *provided, nevertheless*, that no action taken by the said Trustee or by the bondholders under this article shall prejudice or affect the powers or rights of the said Trustee, or of the bondholders, in the event of any subsequent default.

ARTICLE FIFTH—It is hereby declared and agreed that it shall be the duty of the said Trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to proceed by suit, or suits, in equity, or at law, to enforce the rights of the bondholders in the several cases of default on the part of the party of the first part, or its successors herein specified, in the manner and subject to the qualifications herein expressed, upon the requisitions as herein prescribed, as follows:

First—If the party of the first part or its successors shall make default in the payment of some principal money or interest of said bonds, or some or one of them, according to the tenor thereof, or of the coupons thereto annexed, then, and in such case, upon a requisition in writing, signed by the holder or holders of said bonds to an aggregate amount of not less than one hundred thereof, and a proper indemnification by such holder or holders of the said Trustee against the cost and expenses to be by it incurred, it shall be the duty of the Trustee to enforce the rights of the said bondholders under these presents by entry, sale, or suit or suits, in equity or at law, as it, being advised by counsel learned in the law, shall deem most expedient for the interest of the holders of said bonds; *provided, nevertheless*, that it shall be lawful for a majority in interest of the holders of said bonds for the time being, by an instrument under their hands and seals, to direct the said Trustee to waive such default upon such terms as may be directed by the said majority in said instrument. And it is hereby provided that no action taken by the Trustee

or by the bondholders, under this clause, shall prejudice or in any manner affect the powers or rights of the said Trustee, or of the bondholders, in the event of any subsequent default. And it is hereby further provided and expressly agreed that no action shall be commenced or prosecuted against said company upon any of the coupons annexed to said bonds, or otherwise, at law or otherwise, except by the Trustee, as in this article provided.

Second—If the party of the first part, or its successors, shall make default or breach in the performance or observance of any other condition, obligation, or requirement by the said bonds or by this present deed imposed on the party of the first part, or its successors, then, and in such case, the Trustee shall, upon a requisition in manner aforesaid of not less than one-tenth in interest of the bondholders for the time being, and upon a proper indemnification by such applying bondholders of said Trustee against the costs and expenses to be by it incurred, enforce the rights of the bondholders under these presents, in the manner by the first clause of this article provided, subject to a power in such majority at any time to direct in manner aforesaid the said Trustee to waive such default or breach upon reparation therefor to the satisfaction of such majority being made. And it is hereby provided that no action taken by the said Trustee, or by the bondholders, under this clause shall prejudice or in any manner affect the powers or rights of the said Trustee or of the bondholders in the event of any subsequent default or breach.

ARTICLE SIXTH—The action of the Trustee herein, in regard to the enforcing to any extent the lien created by this mortgage, either by taking possession, or by sale at auction, or by lease, or by resort to judicial proceedings, or by any means authorized or contemplated hereby, shall be at all times subject to the control of a majority in amount of the holders of said bonds, their wishes being

expressed in writing to said Trustee; but this mortgage shall not be foreclosed, nor shall the property herein mortgaged, nor any of the same, be sold, except upon a default in the payment of the interest upon the said bonds, which shall have continued for more than six months, and then only upon the application as above provided of bondholders holding said bonds to the amount of not less than one hundred of the same then outstanding, which action on the part of said bondholders shall be at all times subject to the control of a majority in amount of the holders of said bonds as herein provided. And it is hereby further expressly agreed that, in the event of default by the party of the first part in the payment of principal or interest of said bonds, or otherwise, a majority in interest of the bondholders for the time being shall have the right to agree upon a plan or scheme of reorganization, which plan or scheme, when agreed upon in writing and signified to the Trustee, shall govern its action thereafter, and shall be in all respects binding and obligatory upon all the holders of said bonds.

ARTICLE SEVENTH—The said Trustee shall have full power and discretion, upon the written request of the said party of the first part, to convey, by way of release or otherwise, to the person or persons, corporation or corporations, designated by the party of the first part, any lands acquired or held for the purposes of stations, depots, or other building, and shall also have power to convey as aforesaid, on like request, any lands or property which, in the judgment of the Trustee, shall not be necessary for use in connection with the said railway, or which may have been held for the supply of fuel, gravel, or other material; and also to convey as aforesaid, on like request, any lands not occupied by the track which may become disused by reason of a change of the location of any station-house, depot, shop, or other building connected with the said railway, and such lands occupied by the tracks thereof, and adjacent to such station-house, depot, shop or other building, as the said party

of the first part may deem it expedient to disuse or abandon by reason of such change, and to consent to any such change, and to such other changes in the location of the track or depots, bridges, or other buildings, wharves, or structures, as in its judgment shall have become expedient, and to make and deliver the conveyances necessary to carry the same into effect. And the Trustee shall have full power to allow the party of the first part, from time to time, to dispose of, according to its discretion, such portions of the equipment, machinery and implements at any time held or acquired for the use of the party of the first part, as may have become unfit for such use, replacing the same by new, and all the property acquired for replacing any of the property conveyed under the provisions of this article shall immediately be and become, without any other act or conveyance upon the part of the party of the first part, subject to the operation and lien of these presents.

ARTICLE EIGHTH—Subject to the security hereby created for the due payment of the said bonds, and the principal moneys and interest thereon, and for the performance and observance of the conditions, obligations, and requirements thereby, or by the present deed imposed on the party of the first part and its successors, said Trustee shall stand possessed of all and singular the premises hereinbefore expressed to be conveyed, and the property and effects for the time being representing the same, in trust for the party of the first part, its successors and assigns; and upon and immediately after the due completion of every such payment, and the due performance and observance of every such condition, obligation and requirement, said Trustee, shall reconvey all and singular the said premises, property, and effects to the party of the first part, its successors and assigns, or as they shall direct.

ARTICLE NINTH—It is mutually agreed, by and between the parties hereto, that the expressions "the said Trustee"

and "the Trustee" as used in these presents shall be construed to mean the Trustee for the time being; and it is mutually agreed, by and between the parties hereto, that every Trustee of these presents shall be entitled to ordinary indemnity and right to reimbursement given to Trustees, and shall not be answerable for any error or mistake made by it in good faith, but only for gross negligence and willful default in the discharge of its duties as Trustee; and also, that every such Trustee shall be entitled to just compensation for all services which it may hereafter render in this trust, to be paid by the party of the first part, or its successors, out of the income of the trust property; and for that purpose it may at any time apply to any court of competent jurisdiction, without notice, except to the party of the first part, or its successors; and, in the event of the resignation, declination, or inability to act of the said Trustee, or any Trustee of these presents, it shall be the duty of the party of the first part to give notice to the bondholders, by advertisement, for four successive weeks, in some daily newspaper published in the cities of St. Paul and New York, of the time and place of meeting for the election of a Trustee, at which meeting a majority in interest of the bonds there represented may, with the concurrence of the party of the first part in the choice of said majority, elect or appoint a Trustee; and in the event that the party of the first part and said majority cannot agree upon a Trustee, then upon application of any bondholder under these presents, and notice to parties of the first part, or upon application of the party of the first part, a Trustee may be appointed by a Judge of the Circuit Court of the United States for the District of Minnesota. Upon the election or appointment of any such Trustee at any meeting, as aforesaid, a statement or certificate of such election or appointment shall be made, showing the amount of said bonds represented at said meeting, and the amount thereof voting for the Trustee so elected or appointed, which statement or certificate shall be signed by the President or

any loss, misapplication, or non-application of such purchase money, or any part thereof, or to be obliged to inquire into the necessity or expediency of or for any such sale; *provided, however*, that no sale shall be made by said Trustee as aforesaid except upon demand of the holders of not less than one hundred of the said bonds then outstanding; and, even in the event of such demand, no sale shall take place if the holders of the majority of all the bonds then out standing shall, by themselves or by their attorneys in fact, file with said Trustee a written instrument objecting to such sale.

ARTICLE FOURTH—In case the party of the first part, or its successors, shall make default in payment of any interest or any of the said bonds, according to the tenor thereof, or of the coupons thereto annexed, (the payment of interest having been demanded by presentation at the company's office or agency in the City of New York of the coupons therefor,) and such default shall continue for the period of six months after such demand, then and thereupon the principal of all of said bonds shall, at the election of said Trustee, to be signified to the party of the first part, or its successors, by the said Trustee, in writing, become immediately due and payable; *provided, nevertheless*, that at any time after such default shall have been so made, and have continued as aforesaid, and before the actual payment of the principal, it shall be lawful for a majority in interest of the holders of the said bonds for the time being to direct the Trustee either forthwith to exercise its said power of declaring the principal of said bonds due and payable, or to waive the exercise of the said power, (if unexercised,) or to withdraw and annul the exercise thereof (if exercised) either absolutely or with the consent of the party of the first part, or its successors, and to direct the said Trustee to dismiss any suit brought against said company upon any bond secured by this mortgage, and release and discharge any judgment or decree obtained thereon, on

such terms as may be directed by the said majority, by the same instrument; *provided, nevertheless*, that no action taken by the said Trustee or by the bondholders under this article shall prejudice or affect the powers or rights of the said Trustee, or of the bondholders, in the event of any subsequent default.

ARTICLE FIFTH—It is hereby declared and agreed that it shall be the duty of the said Trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to proceed by suit, or suits, in equity, or at law, to enforce the rights of the bondholders in the several cases of default on the part of the party of the first part, or its successors herein specified, in the manner and subject to the qualifications herein expressed, upon the requisitions as herein prescribed, as follows:

First—If the party of the first part or its successors shall make default in the payment of some principal money or interest of said bonds, or some or one of them, according to the tenor thereof, or of the coupons thereto annexed, then, and in such case, upon a requisition in writing, signed by the holder or holders of said bonds to an aggregate amount of not less than one hundred thereof, and a proper indemnification by such holder or holders of the said Trustee against the cost and expenses to be by it incurred, it shall be the duty of the Trustee to enforce the rights of the said bondholders under these presents by entry, sale, or suit or suits, in equity or at law, as it, being advised by counsel learned in the law, shall deem most expedient for the interest of the holders of said bonds; *provided, nevertheless*, that it shall be lawful for a majority in interest of the holders of said bonds for the time being, by an instrument under their hands and seals, to direct the said Trustee to waive such default upon such terms as may be directed by the said majority in said instrument. And it is hereby provided that no action taken by the Trustee

or by the bondholders, under this clause, shall prejudice or in any manner affect the powers or rights of the said Trustee, or of the bondholders, in the event of any subsequent default. And it is hereby further provided and expressly agreed that no action shall be commenced or prosecuted against said company upon any of the coupons annexed to said bonds, or otherwise, at law or otherwise, except by the Trustee, as in this article provided.

Second—If the party of the first part, or its successors, shall make default or breach in the performance or observance of any other condition, obligation, or requirement by the said bonds or by this present deed imposed on the party of the first part, or its successors, then, and in such case, the Trustee shall, upon a requisition in manner aforesaid of not less than one-tenth in interest of the bondholders for the time being, and upon a proper indemnification by such applying bondholders of said Trustee against the costs and expenses to be by it incurred, enforce the rights of the bondholders under these presents, in the manner by the first clause of this article provided, subject to a power in such majority at any time to direct in manner aforesaid the said Trustee to waive such default or breach upon reparation therefor to the satisfaction of such majority being made. And it is hereby provided that no action taken by the said Trustee, or by the bondholders, under this clause shall prejudice or in any manner affect the powers or rights of the said Trustee or of the bondholders in the event of any subsequent default or breach.

ARTICLE SIXTH—The action of the Trustee herein, in regard to the enforcing to any extent the lien created by this mortgage, either by taking possession, or by sale at auction, or by lease, or by resort to judicial proceedings, or by any means authorized or contemplated hereby, shall be at all times subject to the control of a majority in amount of the holders of said bonds, their wishes being

expressed in writing to said Trustee; but this mortgage shall not be foreclosed, nor shall the property herein mortgaged, nor any of the same, be sold, except upon a default in the payment of the interest upon the said bonds, which shall have continued for more than six months, and then only upon the application as above provided of bondholders holding said bonds to the amount of not less than one hundred of the same then outstanding, which action on the part of said bondholders shall be at all times subject to the control of a majority in amount of the holders of said bonds as herein provided. And it is hereby further expressly agreed that, in the event of default by the party of the first part in the payment of principal or interest of said bonds, or otherwise, a majority in interest of the bondholders for the time being shall have the right to agree upon a plan or scheme of reorganization, which plan or scheme, when agreed upon in writing and signified to the Trustee, shall govern its action thereafter, and shall be in all respects binding and obligatory upon all the holders of said bonds.

ARTICLE SEVENTH—The said Trustee shall have full power and discretion, upon the written request of the said party of the first part, to convey, by way of release or otherwise, to the person or persons, corporation or corporations, designated by the party of the first part, any lands acquired or held for the purposes of stations, depots, or other building, and shall also have power to convey as aforesaid, on like request, any lands or property which, in the judgment of the Trustee, shall not be necessary for use in connection with the said railway, or which may have been held for the supply of fuel, gravel, or other material; and also to convey as aforesaid, on like request, any lands not occupied by the track which may become disused by reason of a change of the location of any station-house, depot, shop, or other building connected with the said railway, and such lands occupied by the tracks thereof, and adjacent to such station-house, depot, shop or other building, as the said party

of the first part may deem it expedient to disuse or abandon by reason of such change, and to consent to any such change, and to such other changes in the location of the track or depots, bridges, or other buildings, wharves, or structures, as in its judgment shall have become expedient, and to make and deliver the conveyances necessary to carry the same into effect. And the Trustee shall have full power to allow the party of the first part, from time to time, to dispose of, according to its discretion, such portions of the equipment, machinery and implements at any time held or acquired for the use of the party of the first part, as may have become unfit for such use, replacing the same by new, and all the property acquired for replacing any of the property conveyed under the provisions of this article shall immediately be and become, without any other act or conveyance upon the part of the party of the first part, subject to the operation and lien of these presents.

ARTICLE EIGHTH—Subject to the security hereby created for the due payment of the said bonds, and the principal moneys and interest thereon, and for the performance and observance of the conditions, obligations, and requirements thereby, or by the present deed imposed on the party of the first part and its successors, said Trustee shall stand possessed of all and singular the premises hereinbefore expressed to be conveyed, and the property and effects for the time being representing the same, in trust for the party of the first part, its successors and assigns; and upon and immediately after the due completion of every such payment, and the due performance and observance of every such condition, obligation and requirement, said Trustee, shall reconvey all and singular the said premises, property, and effects to the party of the first part, its successors and assigns, or as they shall direct.

ARTICLE NINTH—It is mutually agreed, by and between the parties hereto, that the expressions "the said Trustee"

and "the Trustee" as used in these presents shall be construed to mean the Trustee for the time being; and it is mutually agreed, by and between the parties hereto, that every Trustee of these presents shall be entitled to ordinary indemnity and right to reimbursement given to Trustees, and shall not be answerable for any error or mistake made by it in good faith, but only for gross negligence and willful default in the discharge of its duties as Trustee; and also, that every such Trustee shall be entitled to just compensation for all services which it may hereafter render in this trust, to be paid by the party of the first part, or its successors, out of the income of the trust property; and for that purpose it may at any time apply to any court of competent jurisdiction, without notice, except to the party of the first part, or its successors; and, in the event of the resignation, declination, or inability to act of the said Trustee, or any Trustee of these presents, it shall be the duty of the party of the first part to give notice to the bondholders, by advertisement, for four successive weeks, in some daily newspaper published in the cities of St. Paul and New York, of the time and place of meeting for the election of a Trustee, at which meeting a majority in interest of the bonds there represented may, with the concurrence of the party of the first part in the choice of said majority, elect or appoint a Trustee; and in the event that the party of the first part and said majority cannot agree upon a Trustee, then upon application of any bondholder under these presents, and notice to parties of the first part, or upon application of the party of the first part, a Trustee may be appointed by a Judge of the Circuit Court of the United States for the District of Minnesota. Upon the election or appointment of any such Trustee at any meeting, as aforesaid, a statement or certificate of such election or appointment shall be made, showing the amount of said bonds represented at said meeting, and the amount thereof voting for the Trustee so elected or appointed, which statement or certificate shall be signed by the President or

Chairman and Secretary of said meeting, and by the proper officers of the party of the first part, and said statement or certificate shall have attached thereto a copy of said printed notice, with proof of the publication thereof. If an appointment of Trustee shall be made by a Judge of said Circuit Court, as hereinbefore provided, the party applying for such appointment shall procure the appointment to be signed by said Judge making the same, and attested by the Clerk of said Court, and shall have attached thereto a copy of the application for such appointment. And the said statement or certificate of election or appointment at said meeting, and the appointment of the Trustee, signed by said Judge, as aforesaid, shall be filed with the Secretary of the State of Minnesota, and the person or persons, or corporation, named in such statement or certificate, or in such Judge's appointment shall thereupon be and become the Trustee for the time being of these presents, as fully to all intents and purposes as if this present deed had, in the first place, been executed and delivered to such person, persons, or corporation. And it is further mutually agreed, that the said Trustee, or any Trustee, may resign the trust hereby created, and be discharged from all duty thereunder, upon giving three months' notice in writing to the said party of the first part, and to any associate Trustee, if there be such, or upon such shorter notice as the said party of the first part may accept as sufficient; and, also, that the said Trustee, or any Trustee, may be removed from office as such Trustee by the vote of a majority in interest of the holders of the said bonds then outstanding, the said vote being had at a meeting of the said bondholders duly held, and being attested by an instrument in writing under the hands and seals of the persons so voting; and in case that at any time hereafter said Trustee, or any Trustee hereafter appointed, shall die, resign, or be removed as herein provided, or by a court of competent jurisdiction, or shall become incapable or unfit to act in said trust, successors may be appointed as herein-

before provided, and with like force and effect. And the said party of the first part, for itself and its successors, in consideration of the premises, and of one dollar to it paid by the said party of the second part, the receipt whereof is duly acknowledged, hereby further covenants and agrees, to and with the said party of the second part, and its successors, that the said party of the first part, and its successors, shall and will from time to time, and at all times hereafter, and as often as thereunto requested by the Trustee, execute, acknowledge, and deliver all such further deeds of conveyance and assurances in the law for the better assuring unto the said Trustee the said railway equipments, appurtenances, and all other property and things whatsoever hereinbefore mentioned as by this instrument to be conveyed, and all franchises of every nature pertaining thereto now held or hereafter to be acquired by the party of the first part, as by the said Trustee, or by its counsel learned in the law, shall be reasonably advised, devised, or required; and the said party of the first part, for itself and its successors, in consideration of the premises, and of one dollar to it duly paid by the said party of the second part, the receipt whereof is duly acknowledged, further covenants and agrees to and with the said party of the second part, and its successors, that it, the said party of the first part, and its successors, shall and will at all times hereafter keep open an office or agency in the City of New York for the payment of the principal and interest of and upon the bonds hereinbefore recited and described, as the same shall become payable, and for the transfer and registration of the said bonds, and that any and every default in the due performance of this covenant shall be deemed and taken to be waiver of presentment and a demand of payment of all and every of the bonds and coupons aforesaid which may become payable during the continuance of said default.

IN WITNESS WHEREOF, The said party of the first part, the SAINT PAUL AND DULUTH RAILROAD COMPANY, has

caused these presents to be signed by its President, sealed with its corporate seal, and countersigned by its Secretary, and the said CENTRAL TRUST COMPANY OF NEW YORK has, to testify its acceptance of said trust, likewise caused the same to be signed by its President and Secretary, and sealed with its corporate seal, the day and year first above written.

SAINT PAUL AND DULUTH RAILROAD COMPANY

By James Smith, Jr., President

Philip S. Harris, Secretary

Corporate  
seal

R. R. Co.

By first party signed, sealed,  
acknowledged, and delivered  
in presence of us:  
James M. Smith  
J. A. Swenson

CENTRAL TRUST COMPANY OF NEW YORK

By H. F. Spaulding, President

Attest:

C. H. P. Babcock, Secretary

Corporate  
Seal

Trust Co.

By second party signed, sealed, and  
acknowledged in presence of us:  
H. E. Malin,  
G. S. Ellis

STATE OF MINNESOTA, }  
 COUNTY OF RAMSEY, } ss. :

On the fifth day of July, A. D. one thousand eight hundred and eighty-one, before the undersigned, a Notary Public, within and for the county and State aforesaid, duly commissioned and qualified, and by law duly authorized to take the acknowledgment and proof of execution of deeds, mortgages, and other instruments, personally came James Smith, Jr., President, and Philip S. Harris, Secretary, of the SAINT PAUL AND DULUTH RAILROAD COMPANY, to me known to be such President and Secretary, and to be the identical persons who executed the foregoing instrument, and whose names are thereunto subscribed as such officers, and severally duly acknowledged the same to be their free and voluntary act and deed as such President and Secretary, and the free and voluntary act and deed of the said the SAINT PAUL AND DULUTH RAILROAD COMPANY for the uses and purposes therein expressed, and the said James Smith, Jr., and Philip S. Harris, being by me first duly sworn, did depose, and say that they are respectively President and Secretary, as hereinbefore stated, of said railroad company; that they know the corporate seal of said company; that the seal affixed to the foregoing instrument is the corporate seal of said Railroad company; that it was affixed thereto by order of the board of directors of said corporation, duly made, and with the assent as therein stated of its stockholders; and that they signed their respective names thereto as such President and Secretary by the like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal at the City of St. Paul, in said county, the day and year first above written.

J. A. SWENSON  
 Notary Public  
 Ramsey County, Minn.

(Notarial Seal)

