



BURLINGTON NORTHERN RAILROAD

LAW DEPARTMENT

RECORDATION NO. _____ FILED 1425

14960

3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102

(817) 878-2362

May 12, 1986 **MAY 16 1986 - 10 30 AM**

14960

INTERSTATE COMMERCE COMMISSION RECORDATION NO. _____ FILED 1425

MAY 16 1986 - 10 30 AM

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Date _____
Per _____
ICC Washington, D. C.

Attention: Ms. Mildred Lee (Room 2303)

Re: Document for Recordation: Collateral Trust Indenture
Between Northern Pacific Railway Company and the
First National Bank of the City of New York, Dated
October 1, 1954

Document for Recordation: Supplemental Indenture to
the Northern Pacific Railway Company Collateral Trust
Indenture of 1954

Dear Ms. Lee:

Enclosed is an original and one copy of each of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The first document is the Collateral Trust Indenture between Northern Pacific Railway Company and the First National Bank of the City of New York. It is a primary document and is dated October 1, 1954. The names and addresses of the parties to this document are as follows:

Trustee: First National Bank of the City of New York (Now Citibank, N.A.)
Five Hanover Square
New York, New York 10043

Principal & Guarantor: Northern Pacific Railway Company
(Now Burlington Northern Railroad Company)
Continental Plaza
777 Main Street
Fort Worth, Texas 76102

No equipment is covered by this document.

A short summary of this document to appear in the index follows:

A Collateral Trust Indenture between Northern Pacific Railway Company and the First National Bank of the City of New York securing the issuance of Collateral Trust 4% Bonds, due October 1, 1984, by Northern Pacific Railway Company.

The second document is a Supplemental Indenture to the Northern Pacific Railway Company Collateral Trust Indenture of 1954. It is a secondary document and is dated March 2, 1970. This document is connected to the primary document referenced above. The names and addresses of the parties to this document are as follows:

Trustee: First National City Bank
(Now Citibank, N.A.)
Five Hanover Square
New York, New York 10043

Principal & Guarantor: Burlington Northern Inc.
(Now Burlington Northern Railroad Company)
Continental Plaza
777 Main Street
Fort Worth, Texas 76102

No equipment is covered by this document.

A short summary of this document to appear in the index follows:

Supplemental Indenture to the Northern Pacific Railway Company Collateral Trust Indenture of 1954 providing for the assumption of the obligations by Burlington Northern Inc. by reason of merger of the Northern Pacific Railway Company.

A check in the amount of \$20.00 is enclosed to cover the filing fee. Please return the originals and any extra copies not needed by the Commission for recordation to Mark E. Southerst, Attorney, Burlington Northern Railroad Company, 3800 Continental Plaza, 777 Main Street, Fort Worth, Texas 76102.

Ms. Mildred Lee

-3-

May 12, 1986

Once the above-referenced documents have been recorded, the Satisfaction, Discharge and Release of the Collateral Trust Indenture of 1954 forwarded to the Commission by my letter dated May 6, 1986, can be recorded as a secondary document connected to the documents enclosed herewith.

Very truly yours,



Mark E. Southerst
Attorney

MES/rrm/da,12

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

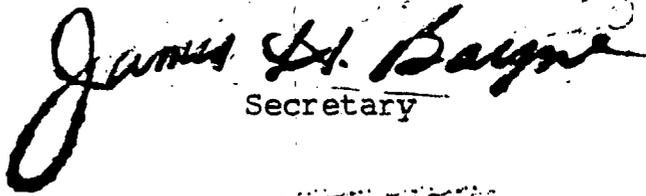
5/16/86

Mark E. Southerst
Attorney
Burlington Northern Railroad
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/16/86 at 10:30am and assigned re-
recording number (s). 14960 & 14960-A

Sincerely yours,


Secretary

Enclosure(s)

SE-30
(7/79)

REGISTRATION NO. **14960** FORM 1325

MAY 16 1986 - 10 30 AM

INTERSTATE COMMERCE COMMISSION

Northern Pacific Ry. Co
Doc. **22064-a**
Office of Sec'y

ORIGINAL

NORTHERN PACIFIC RAILWAY COMPANY

AND

THE FIRST NATIONAL BANK OF THE
CITY OF NEW YORK

TRUSTEE

[Handwritten signature]

Collateral Trust Indenture

Dated October 1, 1954

**\$52,000,000 Collateral Trust 4% Bonds
due October 1, 1984**

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THIS COLLATERAL TRUST INDENTURE, dated the first day of October, 1954, between **NORTHERN PACIFIC RAILWAY COMPANY**, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter sometimes called the "Company"), party of the first part, and **THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK**, a national banking association duly organized and existing under the laws of the United States of America (hereinafter sometimes called the "Trustee"), party of the second part,

WITNESSETH :

WHEREAS, the Company has duly authorized the issue of its Collateral Trust 4% Bonds, due October 1, 1984 for the aggregate principal amount of fifty-two million dollars (\$52,000,000) (hereinafter collectively called the "Bonds") and to provide for the authentication and delivery thereof by the Trustee the Company has duly authorized the execution of this Indenture; and

WHEREAS, the texts of the coupon Bonds and of the interest coupons to be attached thereto are to be substantially in the following forms:

[FORM OF COUPON BOND]

NORTHERN PACIFIC RAILWAY COMPANY

\$

No.....

Collateral Trust 4% Bond

due October 1, 1984

NORTHERN PACIFIC RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Wisconsin (herein referred to as the "Company"), for value received, hereby promises to pay to bearer (or, if this Bond be registered as to principal, then to the registered holder hereof) on October 1, 1984, at the office or agency of the Company in the Borough of Manhattan, The City of New York, the principal sum of
dollars (\$), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said prin-

cipal sum at the rate of 4% per annum at the office or agency of the Company in the Borough of Manhattan, The City of New York, in like coin or currency from October 1, 1954, semi-annually on April 1 and October 1 of each year, until payment of said principal sum has been made or duly provided for, but only upon presentation and surrender of the coupons for such interest instalments as are evidenced thereby, hereto appertaining, as they shall severally mature.

This Bond is one of a duly authorized issue of Bonds of the Company, designated as its Collateral Trust 4% Bonds, due October 1, 1984 (herein referred to as the "Bonds"), of an aggregate principal amount of \$52,000,000, issued under and pursuant to an indenture dated October 1, 1954 (herein referred to as the "Indenture"), duly executed and delivered by the Company to The First National Bank of the City of New York, Trustee. Reference is hereby made to the Indenture for a description of the security pledged and the rights of the holders of the Bonds and coupons and of the Trustee in respect of such security, and the terms upon which said Bonds are issued.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any supplemental indenture or modifying in any manner the rights of the holders of the Bonds and coupons; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Bond, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds, the consent of the holders of which is required for any such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

No reference herein to the Indenture and no provision of this Bond or of the Indenture shall alter or impair the obligation of the Company, which is unconditional and absolute, to pay the principal of,

premium, if any, and interest on this Bond as herein provided, or alter or impair the right of action of any holder of this Bond or the appurtenant coupons to enforce such payment.

The Bonds are issuable as coupon Bonds, registrable as to principal, in the denominations of \$1,000 and \$100,000, and as registered Bonds without coupons in the denominations of \$1,000 and any multiple of \$1,000 authorized by the Company. Coupon Bonds and registered Bonds without coupons, and the several authorized denominations thereof, are interchangeable in equal aggregate principal amounts at the office or agency of the Company in the Borough of Manhattan, The City of New York, and in the manner, subject to the limitations and upon payment of the charges provided in the Indenture.

The Bonds are entitled to the benefits of an annual sinking fund payable on or before September 30 of each year, commencing with the year 1955, and ending September 30, 1983, of either (a) a sum sufficient to retire at the applicable sinking fund redemption price the following principal amounts of Bonds in each of the years indicated: 1955 to 1959 inclusive, \$1,040,000; 1960 to 1964 inclusive, \$1,300,000; 1965 to 1969 inclusive, \$1,560,000; 1970 to 1974 inclusive, \$1,820,000; and 1975 to 1983 inclusive, \$2,340,000, or (b) a sum equal to the net income (as defined in the Indenture) of the Company for the year ending on December 31 next preceding such sinking fund payment date, whichever is less; the amount, if any, by which the sum payable under clause (b) on any sinking fund payment date shall be less than the amount otherwise payable under clause (a) being payable in subsequent years to the extent that the net income of the Company shall suffice therefor as provided in the Indenture. Payments into the sinking fund may be made at the option of the Company even though not earned and may be made in cash or by delivery of Bonds, or both, as provided in the Indenture. The moneys in the sinking fund shall be applied by the Trustee to the redemption of Bonds as more fully provided in the Indenture.

The Bonds may be redeemed on at least 30 days notice at the option of the Company, as a whole or in part at any time, or for the sinking fund on any October 1 from 1955 to 1983, inclusive, at the following redemption prices (expressed in percentages of principal

amount), together with accrued interest to the date fixed for redemption:

	Optional redemption price	Sinking fund redemption price
To and including October 1, 1957.....	103½%	101½%
Thereafter to and including October 1, 1960...	103⅛	101⅜
Thereafter to and including October 1, 1963...	102⅞	101¼
Thereafter to and including October 1, 1966...	102½	101⅝
Thereafter to and including October 1, 1969...	102¼	101
Thereafter to and including October 1, 1972...	101⅞	100⅞
Thereafter to and including October 1, 1975...	101⅝	100⅝
Thereafter to and including October 1, 1977...	101¼	100½
Thereafter to and including October 1, 1979...	101	100⅜
Thereafter to and including October 1, 1981...	100⅝	100¼
Thereafter to and including October 1, 1983...	100⅜	100⅝
Thereafter	100	100

all as provided in the Indenture.

This Bond shall pass by delivery except while registered as to principal. This Bond may be registered as to principal upon presentation at the office or agency of the Company in the Borough of Manhattan, The City of New York, such registration being noted hereon, after which no transfer hereof shall be valid unless made, as provided in the Indenture, at said office or agency, by the registered holder hereof or by his attorney duly authorized in writing and similarly noted hereon; but this Bond may be discharged from such registration by like transfer to bearer noted hereon, whereupon transferability by delivery shall be restored. Such registration, however, shall not affect the transferability by delivery of the coupons for the interest hereon, and such coupons shall continue to be payable to bearer and transferable by delivery. No service charge shall be made for any such registration, transfer or discharge from registration, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Company, the Trustee, any paying agent and any Bond registrar may deem and treat the bearer hereof, or, if registered as to principal, the registered holder hereof, and the bearer of any coupon appertaining hereto, whether or not this Bond shall be registered as

to principal, as the absolute owner of this Bond or such coupon, as the case may be (whether or not this Bond or such coupon shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Company or any Bond registrar), for the purpose of receiving payment of or on account of the principal hereof and premium, if any, or of such coupon, as the case may be, and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Bond registrar shall be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any indenture supplemental thereto, or in any Bond or coupon, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of this Bond and as part of the consideration for its issuance.

Neither this Bond nor any coupon appertaining hereto shall be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Northern Pacific Railway Company has caused this Bond to be signed manually or by facsimile by its President or one of its Vice Presidents and by its Treasurer or one of its Assistant Treasurers or its Secretary or one of its Assistant Secretaries, and has caused a facsimile of its corporate seal to be affixed hereunto or imprinted hereon and coupons for interest, bearing the facsimile signature of its Treasurer, to be attached hereto.

Dated October 1, 1954.

NORTHERN PACIFIC RAILWAY COMPANY,

by.....

.....

[FORM OF COUPON]

No.....

\$.....

On the first day of, 19....., unless the Bond below mentioned shall have been called for previous redemption and payment thereof duly provided for, Northern Pacific Railway Company will pay to bearer at its office or agency in the Borough of Manhattan, The City of New York, dollars, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, being six months interest then payable on its Collateral Trust 4% Bond, due October 1, 1984, No.

.....
Treasurer

WHEREAS, the text of the registered Bonds without coupons shall be substantially the same as that of the coupon Bonds with omissions, insertions and variations appropriate to registered Bonds without coupons; and

WHEREAS, the form of the Trustee's certificate of authentication to be endorsed on said Bonds shall be substantially as follows:

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK,
as Trustee,

by.....

Authorized Officer

AND WHEREAS, the Company represents that all acts and things necessary to make the Bonds, when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Company and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Bonds have in all respects been duly authorized, and the Company, in the exercise of legal right and power in it vested, purposes to make, execute, issue and deliver the Bonds;

Now, THEREFORE:

In order to secure the payment of the principal of, premium, if any, and interest on all of the Bonds outstanding under this Indenture and to secure the performance of all of the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the Bonds are authenticated, issued and received, and in consideration of the premises, of the purchase and acceptance of the Bonds by the holders thereof and of the sum of one dollar to it duly paid by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged;

The Company hereby does sell, assign, transfer and set over, and does pledge to and hypothecate with, the Trustee, and its successors in the trust under this Indenture, and its and their assigns, the following:

1. \$78,000,000 principal amount of the Company's Refunding and Improvement Mortgage 4% Bonds, Series E, dated July 1, 1945, due July 1, 2047, bearing all interest obligations unmatured at the date of the delivery of this Indenture;

2. all other property of every name and nature, from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred by the Company, or with its written consent by any one in its behalf, to the Trustee, which hereby is authorized to receive any property so pledged, assigned or transferred at any and all times, as

and for additional security for the payment of the Bonds and coupons issued or to be issued hereunder;

To HAVE AND TO HOLD said Pledged Bonds and any other property pledged, assigned or transferred as aforesaid (hereinafter generally referred to as the "collateral security") unto the Trustee, its successors in the trust, and its and their assigns forever:

IN TRUST, nevertheless, for the equal and ratable use and benefit of all present and future holders of the Bonds and coupons issued and to be issued under and secured by this Indenture, and for the enforcement of the payment of said Bonds and coupons when payable, and the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of one Bond over any other Bond by reason of priority in the issue, sale or negotiation or maturity thereof or otherwise, so that each and every Bond issued and to be issued and authenticated as aforesaid shall have the same right, lien and privilege under this Indenture, and so that, subject to the terms hereof, the principal of, premium if any, and interest upon every such Bond shall be equally and ratably secured hereby as if all such Bonds at any time outstanding had been made, executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture.

AND IT IS HEREBY COVENANTED AND DECLARED that all such Bonds, with the coupons for interest thereon, are to be issued, authenticated and delivered, and that the collateral security is to be held by the Trustee, upon and subject to the following covenants, conditions, uses and trusts; and it is agreed and covenanted by the Company with the Trustee and the respective holders from time to time of Bonds hereby secured, as follows, namely:

ARTICLE ONE.

Definitions.

SECTION 1.01. The terms defined in this Section (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section.

Authorized Newspaper:

The term "Authorized Newspaper" shall mean a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week and of general circulation in the place in connection with which the term is used.

Board of Directors:

The term "Board of Directors" shall mean the Board of Directors of the Company or the Executive Committee of the Company.

Event of Default:

The term "Event of Default" shall mean any event specified in Section 6.01.

Officers Certificate:

The term "Officers Certificate" shall mean a certificate signed by the President or any Vice President and by the Treasurer or any Assistant Treasurer or the Secretary or any Assistant Secretary of the Company.

Opinion of Counsel:

The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who shall be satisfactory to the Trustee and who may be an employee of or of counsel to the Company.

Pledged Bonds:

The term "Pledged Bonds" shall mean the Refunding and Improvement Mortgage 4% Bonds, Series E, dated July 1, 1945, due July 1, 2047, of the Company, pledged hereunder and any bonds substituted therefor pursuant to the provisions of Section 5.04 of the Indenture.

ARTICLE TWO.**Issue, Execution, Registration and Exchange of Bonds.**

SECTION 2.01. Upon the execution of this Indenture, or from time to time thereafter, Bonds for the aggregate principal amount of fifty-two million dollars (\$52,000,000) maturing on October 1, 1984, may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Bonds to or upon the written order of the Company, signed by its President or a Vice President and by its Treasurer or an Assistant Treasurer under its corporate seal, without any further action by the Company. The Bonds shall bear interest at the rate of 4% per annum.

SECTION 2.02. The Bonds and coupons and the Trustee's certificate of authentication to be borne by the Bonds shall be substantially of the tenor and purport as in this Indenture above recited and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Bonds may be listed, or to conform to usage.

SECTION 2.03. The Bonds shall be issuable as coupon Bonds registrable as to principal and as registered Bonds without coupons. The coupon Bonds shall be dated October 1, 1954. Registered Bonds without coupons shall be dated the last interest payment date to which interest on Bonds has been paid preceding the date of authentication thereof by the Trustee (unless such date of authentication is an interest payment date to which interest on Bonds has been paid, in which case they shall be dated that day) and shall bear interest from their date, except that registered Bonds authenticated by the Trustee prior to April 1, 1955 shall be dated and shall bear interest from October 1, 1954.

The coupon Bonds shall be issuable in denominations of \$1,000 and \$100,000. The registered Bonds without coupons shall be issuable

in denominations of \$1,000 and any multiple of \$1,000 authorized by the Company, such authorization to be conclusively evidenced by the execution thereof.

SECTION 2.04. The Bonds shall be signed on behalf of the Company by its President or a Vice President and by its Treasurer or an Assistant Treasurer or its Secretary or an Assistant Secretary, under its corporate seal. Such signatures may be the manual or facsimile signatures of the present or any future such authorized officers. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Bonds.

Only such Bonds as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by manual signature of one of its authorized officers shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. No coupon shall be or become valid or obligatory for any purpose until such certificate shall have been duly executed on the Bond to which such coupon appertains. Such certificate by the Trustee upon any Bond executed by the Company shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture. The Trustee shall not authenticate or deliver any coupon Bond until all matured coupons thereunto appertaining shall have been detached and cancelled, except as otherwise provided in Section 2.05 or as permitted in Section 2.07.

In case any officer of the Company who shall have signed any Bond shall cease to be such officer before the Bond so signed shall have been authenticated and delivered by the Trustee or disposed of by the Company, such Bond nevertheless may be authenticated and delivered or disposed of as though the person who signed such Bond had not ceased to be such officer of the Company; and any Bond may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Bond, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such officer.

The coupons shall bear the facsimile signature of the present Treasurer or of any future Treasurer of the Company, and for that purpose the Company may adopt and use the facsimile signature of any person

who shall have been such Treasurer notwithstanding the fact that at the time when the coupon Bonds shall be authenticated and delivered or disposed of he shall have ceased to be the Treasurer of the Company.

SECTION 2.05. Coupon Bonds and registered Bonds without coupons, and the several authorized denominations thereof, shall be interchangeable in equal aggregate principal amounts. Bonds to be exchanged shall be surrendered at the office or agency to be maintained by the Company for the purpose as provided in Section 4.02, and the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the Bond or Bonds which the bondholder making the exchange shall be entitled to receive. All coupon Bonds surrendered for exchange and delivered in exchange shall have attached all unmatured coupons appertaining thereto and, in case at the time of any such exchange interest on the Bonds is in default, shall in addition have attached all matured coupons in default appertaining thereto.

The Company shall keep, at the office or agency to be maintained by the Company for the purpose as provided in Section 4.02, a register or registers in which, subject to such reasonable regulations as it may prescribe, the Company shall register Bonds and shall transfer registered Bonds as in this Article Two provided. At all reasonable times such register or registers shall be open for inspection by the Trustee. Upon surrender for transfer of any registered Bond without coupons at such office or agency, the Company shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new registered Bond or Bonds without coupons for an equal aggregate principal amount. Upon presentation for registration of any coupon Bond at such office or agency, such Bond shall be registered as to principal in the name of the holder and the fact of such registration shall be noted on the Bond. No transfer of any coupon Bond so registered shall be valid unless made at such office or agency and similarly noted on the Bond, but the same may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored. Coupon Bonds shall continue to be subject to successive registrations and discharges from registration, at the option of the holders.

The coupon Bonds shall pass by delivery except while registered as to principal in the manner hereinabove provided. Registration of any coupon Bond shall not affect the transferability by delivery of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery.

All registered Bonds presented for transfer shall, and all registered Bonds presented or surrendered for exchange, discharge from registration, redemption or payment shall (if so required by the Company or the Trustee), be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by, the registered holder or his attorney duly authorized in writing.

The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange, transfer, registration or discharge from registration of Bonds. No service charge shall be made for any such transaction except that the Company may require payment of a sum not exceeding two dollars for each new Bond issued on an exchange, other than an exchange of temporary for definitive Bonds.

The Company shall not be required to transfer or exchange (a) registered Bonds without coupons for a period of ten days next preceding any interest payment date, (b) any Bonds for a period of ten days next preceding any selection by lot of Bonds to be redeemed, or (c) any Bonds called or being called for redemption.

SECTION 2.06. Pending the preparation of definitive Bonds the Company may execute and the Trustee shall authenticate and deliver temporary Bonds (printed or lithographed). Temporary Bonds shall be issuable as bearer Bonds without coupons or with one or more coupons attached or as registered Bonds without coupons, of any denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Company. Every temporary Bond shall be executed by the Company and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. Without unnecessary delay the Company shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange

therefor without charge at the office of the Trustee in the Borough of Manhattan, the City of New York, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds.

SECTION 2.07. In case any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the Company in the case of a mutilated Bond shall, and in the case of a lost, stolen or destroyed Bond may in its discretion, execute, and upon its request the Trustee shall authenticate and deliver, a new Bond (with coupons corresponding to the coupons, if any, appertaining to the mutilated, destroyed, lost or stolen Bond), bearing a number not contemporaneously outstanding, in substitution for the Bond and its coupons (if any) so mutilated, destroyed, lost or stolen. In case any coupon appertaining to any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the Company in the case of a mutilated coupon shall, and in the case of a lost, stolen or destroyed coupon may in its discretion, execute, and upon its request the Trustee shall authenticate and deliver, a new Bond (with coupons corresponding to the coupons appertaining to the Bond with respect to which such coupon shall have become mutilated or shall be destroyed, lost or stolen), bearing a number not contemporaneously outstanding, in substitution for such Bond and any coupons appertaining thereto. In every case the applicant for a substituted Bond shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Bond (or such coupon or coupons) and of the ownership thereof. The Trustee shall authenticate any such substituted Bond and deliver the same with the appurtenant coupons (if any) upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Bond, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith and in addition a

further sum not exceeding two dollars for each Bond so issued in substitution. In case any Bond or any coupon which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Bond, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond or coupon) if the applicant for such payment shall furnish the Company with such security or indemnity as it may require to save it harmless and, in case of destruction, loss or theft, evidence to the satisfaction of the Company of the destruction, loss or theft of such Bond or coupon and of the ownership thereof.

Every substituted Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond or any coupon is destroyed, lost or stolen shall, with respect to such Bond or coupon, constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Bond or coupon shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds and coupons duly issued hereunder. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and coupons and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.08. All Bonds and coupons surrendered for payment, redemption or exchange and all registered Bonds without coupons surrendered for transfer shall, if surrendered to the Company or any paying agent, be cancelled and delivered to the Trustee or, if surrendered to the Trustee, shall be cancelled by it, and no Bonds or coupons shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. On request of the Company the Trustee shall deliver to the Company cancelled Bonds and coupons held by the Trustee. With the consent of the Company the Trustee may cremate cancelled Bonds and coupons and deliver a certificate of cremation to the Company.

ARTICLE THREE.**Redemption of Bonds and Sinking Fund.**

SECTION 3.01. The Bonds may be redeemed at the option of the Company, as a whole or in part at any time, or for the sinking fund on any October 1 from 1955 to 1983, inclusive, at the following redemption prices (expressed in percentages of principal amount), together with accrued interest to the date fixed for redemption:

	<u>Optional redemption price</u>	<u>Sinking fund redemption price</u>
To and including October 1, 1957.....	103½%	101½%
Thereafter to and including October 1, 1960.....	103⅛	101⅜
Thereafter to and including October 1, 1963.....	102⅞	101¼
Thereafter to and including October 1, 1966.....	102½	101⅛
Thereafter to and including October 1, 1969.....	102¼	101
Thereafter to and including October 1, 1972.....	101⅞	100⅞
Thereafter to and including October 1, 1975.....	101⅝	100⅝
Thereafter to and including October 1, 1977.....	101¼	100½
Thereafter to and including October 1, 1979.....	101	100⅜
Thereafter to and including October 1, 1981.....	100⅝	100¼
Thereafter to and including October 1, 1983.....	100⅜	100⅛
Thereafter	100	100

SECTION 3.02. The Company will pay to the Trustee as a sinking fund on or before September 30 in each year commencing September 30, 1955 and ending September 30, 1983, either

(a) a sum sufficient to retire at the then applicable sinking fund redemption price the following principal amounts of Bonds in each of the years indicated: 1955-1959, inclusive, \$1,040,000; 1960-1964, inclusive, \$1,300,000; 1965-1969, inclusive, \$1,560,000; 1970-1974, inclusive, \$1,820,000; and 1975-1983, inclusive, \$2,340,000,

or

(b) a sum equal to the net income (as hereinafter defined) of the Company for the year ending on the December 31 next preceding such sinking fund date,

whichever is less. The Company may deliver Bonds in lieu of all or any part of each such cash payment. Bonds so delivered shall be received at the applicable sinking fund redemption price.

In case there shall be no such net income for any year ending December 31, the Company shall be under no obligation to make any sinking fund payment in the ensuing year, but if and to the extent that the amount payable on any sinking fund payment date under clause (b) above shall be less than the amount otherwise payable under clause (a) above, the difference between such amounts (hereinafter called the "sinking fund deficiency") shall be paid to the Trustee (but without interest thereon) on the next ensuing sinking fund payment date or dates succeeding any calendar year for which the net income referred to in said clause (b) shall exceed the sum specified in said clause (a), to the extent that it shall exceed the amount payable on said sinking fund payment date under said clause (a) until the sinking fund deficiency is made up (provided, however, that any sinking fund deficiency from a prior year shall first be made good).

The Company may pay into the sinking fund in any year an amount not exceeding the amount payable for that year plus any deficiencies from prior years, even if the amount so paid shall not have been earned in whole or in part.

The "net income of the Company", as used in this Section, for the particular year in question, shall mean the result obtained by deducting from "income available for fixed charges" of the Company for such year the "fixed charges" of the Company for such year, as such terms are or from time to time shall be defined in the Accounting Rules and Regulations, or other similar regulations at the time in force, prescribed by the Interstate Commerce Commission or other governmental agency having jurisdiction. If, at any time when the calculation is to be made, the Interstate Commerce Commission or other governmental agency having jurisdiction shall not have defined such terms in its accounting regulations, then the term "net income of the Company" shall mean the amount obtained by deducting from income available for fixed charges, the following (if not already deducted): rent for leased roads, interest on funded debt, interest on unfunded debt, and amortization of discount on funded debt.

The Trustee will apply all moneys received pursuant to this Section, if \$25,000 or more, or upon request of the Company if less than \$25,000, to the redemption of the outstanding Bonds at the above-mentioned sinking fund redemption price applicable on the date fixed for redemption, exclusive of accrued interest. Accrued interest payable with respect to Bonds to be redeemed for sinking fund purposes shall be paid by the Company otherwise than out of sinking fund moneys.

SECTION 3.03. On or before August 15 in each year a sinking fund payment is due, the Company will deliver to the Trustee an Officers Certificate (i) showing in reasonable detail the net income of the Company for the preceding calendar year, and (ii) specifying the portion of the sinking fund payment to be satisfied by payment of cash and the portion, if any, to be satisfied by delivery of Bonds. Concurrently with the delivery of such Certificate, the Company will deliver to the Trustee the Bonds so specified.

SECTION 3.04. Any Bonds delivered to the Trustee pursuant to Section 3.03 or redeemed through the operation of the sinking fund, together with appurtenant coupons, shall be cancelled by the Trustee, and no Bonds shall be authenticated in lieu thereof.

SECTION 3.05. The Company covenants to pay the cost of publishing redemption notices. The Company also covenants to pay the compensation of the Trustee in administering the sinking fund as provided herein, together with the Trustee's expenses.

SECTION 3.06. Notice of redemption to the holders of Bonds to be redeemed as a whole or in part, at the option of the Company or with sinking fund moneys, shall be given by publication of a notice of such redemption at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York, the first publication to be not less than thirty nor more than sixty days prior to the date fixed for redemption. It shall not be necessary for more than one such publication to be made in the same newspaper. A copy of such notice shall be mailed at least thirty days prior to the date fixed for redemption to the holders of coupon Bonds registered as to principal and to the holders

of registered Bonds without coupons to be redeemed as a whole or in part, at their last addresses as they shall appear upon the registry books, but failure to give such additional notice by mail, or any defect therein or failure of the addressee to receive it shall not affect the validity or effectiveness of any call for redemption published as hereinbefore provided.

Each such notice of redemption shall specify the date fixed for redemption, the redemption price at which Bonds are to be redeemed, the place of payment, that payment will be made upon presentation and surrender of such Bonds with all coupons, if any, appertaining thereto maturing after the date fixed for redemption, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. If less than all the Bonds are to be redeemed the notice of redemption shall specify the numbers of the Bonds to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion thereof will be issued, or at the option of the registered holder of any registered Bond without coupons the Trustee will make a notation on such Bond of the payment of the redeemed portion thereof.

Prior to the redemption date specified in the first notice of redemption given as provided in this Section, the Company in case the redemption is being made at its option will deposit with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Bonds so called for redemption and then outstanding at the appropriate redemption price, together with (unless the redemption date shall be an interest payment date) accrued interest to the date fixed for redemption. If less than all the Bonds are to be redeemed at the option of the Company, it will give the Trustee adequate notice in advance as to the aggregate principal amount of Bonds to be redeemed.

If less than all the Bonds are to be redeemed, the Trustee shall select by lot, in such manner as it shall deem appropriate and fair, the numbers of the Bonds to be redeemed, in whole or in part.

SECTION 3.07. If notice of redemption has been published as above provided, the Bonds or portions of Bonds specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Company shall default in the payment of such Bonds at the redemption price, together with interest accrued to said date) interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue and the coupons for such interest shall be void. On presentation and surrender of such Bonds at said place of payment in said notice specified, with all unmatured coupons, if any, thereto appertaining, the said Bonds or the specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided that, if the redemption date is an interest payment date, payment of the interest represented by any coupon maturing on such date shall be made only upon presentation of such coupon in the usual manner.

Upon presentation of any coupon Bond or registered Bond without coupons redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to or on the order of the holder thereof, at the expense of the Company, a new Bond or Bonds, of authorized denominations, in either registered or coupon form as such holder may elect, in principal amount equal to the unredeemed portion of the Bond so presented, or, in the case of registered Bonds without coupons, at the option of the registered holder the Trustee shall upon presentation of such Bond for such purpose make a notation thereon of the payment of the portion of the principal of such Bond called for redemption.

ARTICLE FOUR.

Particular Covenants of the Company.

SECTION 4.01. The Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on each of the Bonds at the place, at the respective times and in the manner provided in the Bonds and in the coupons. The interest on the coupon Bonds shall be payable only upon presentation and surrender of the

several coupons for such interest instalments as are evidenced thereby as they severally mature. The interest on the registered Bonds without coupons shall be payable only to or upon the written order of the registered holders thereof.

SECTION 4.02. The Company will maintain, in the Borough of Manhattan, The City of New York, an office or agency where the Bonds may be presented for registration, transfer and exchange as in this Indenture provided, and where notices and demands to or upon the Company in respect of the Bonds and coupons or of this Indenture may be served, and also an office or offices or agency or agencies where the Bonds and coupons may be presented for payment. The Company will give to the Trustee notice of the location of such offices or agencies and of any change in the location thereof. In case the Company shall fail to maintain such offices or agencies or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the principal office of the Trustee.

SECTION 4.03. The Company will not do or suffer any matter or thing whereby the collateral security might be lost or impaired and will take all necessary action so that the lien of this Indenture on the collateral security shall be duly preserved.

SECTION 4.04. At any and all times, the Company will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged or delivered by any other corporation or person obligated to the Company so to do, all or any such further acts, transfers and assignments as the Trustee shall reasonably require for the better assuring, assigning and confirming unto the Trustee the collateral security pledged under this Indenture, or intended so to be, or as may be required to carry out the intent of this Indenture, or to provide for the payment of the Bonds and coupons, according to the intent and purpose herein expressed.

SECTION 4.05. The Company will not sell, hypothecate or otherwise dispose of any of its Refunding and Improvement Mortgage Bonds, and will not issue and sell, hypothecate or otherwise dispose of any bonds

secured by the mortgage securing bonds substituted for the Refunding and Improvement Mortgage Bonds pledged hereunder, as permitted by Section 5.04, except (1) for the purpose of purchasing, paying or retiring an equal aggregate principal amount of Refunding and Improvement Mortgage Bonds or other bonds issued under the mortgage securing such substituted bonds or "prior debt" of the Company as defined in the Refunding and Improvement Mortgage or (2) in an aggregate principal amount not in excess of \$25,000,000 plus 60% of the increase since December 31, 1953 in the Company's net investment in road (of the character now included in Interstate Commerce Commission Account 701) subject to the lien of said Refunding and Improvement Mortgage or mortgage securing such substituted bonds. Net investment in road shall be calculated after

(a) deduction of the depreciation reserve accrued with respect to such property (now included in Interstate Commerce Commission Account 702½-C),

and

(b) adjustment for debit or credit balances applicable to such property in acquisition adjustment account (now included in Interstate Commerce Commission Account 702½-A),

but without deduction

(c) for retirements after December 31, 1953 of such property not replaced (which retirements have been authorized by any commission or other governmental body with jurisdiction), or

(d) for any other adjustments in response to requirements of or authorized by any such commission or governmental body affecting net investment in road for any period prior to January 1, 1954 but not reflected until after December 31, 1953 in the accounts of the Company.

ARTICLE FIVE.**Pledged Bonds.**

SECTION 5.01. The Pledged Bonds shall be in bearer form or in registered form in the name of the Trustee or its nominee as registered owner. The Pledged Bonds shall be held by and in the custody of the Trustee under the terms and provisions of this Indenture. The Trustee is hereby authorized in its discretion to cause Pledged Bonds in registered form without coupons to be exchanged into bearer form, and the Trustee may cause all such Pledged Bonds in bearer form to be transferred into its name as such Trustee, or into the name of its nominee; and it may make such other transfers and arrangements as may be required from time to time to protect the lien intended to be created hereby upon such Pledged Bonds.

SECTION 5.02. Unless and until an Event of Default shall have happened and be continuing, the Company shall be entitled to receive for its own use all interest paid on the Pledged Bonds and if the Trustee shall receive any such interest it shall forthwith deliver and pay such interest over to the Company; and the Trustee from time to time shall execute and deliver upon the written request of the Company suitable assignments and orders for the payment of such interest in favor of the Company and shall deliver to the Company upon a like request any and all coupons representing such interest, as they mature.

Irrespective of whether an Event of Default shall have happened or be continuing, (1) except as permitted by Section 5.06, the Company shall not be entitled to receive, and the Trustee shall not pay over or deliver to the Company, any moneys or property paid or received on account of the principal of any Pledged Bonds; and (2) until actually paid, released or discharged, every coupon or right to interest appertaining to the Pledged Bonds shall remain subject to this Indenture.

In case any moneys or property shall be paid or received in respect of the principal of the Pledged Bonds,—then and in every such case all such moneys or property shall be collectible and received by the Trustee; and any and all moneys and property so received by the

Trustee shall be held as part of the trust estate hereunder until disposed of in conformity with the provisions of this Indenture.

SECTION 5.03. Upon the happening and during the continuance of an Event of Default the Trustee shall be entitled to collect and receive all interest on the Pledged Bonds.

SECTION 5.04. Unless an Event of Default shall have occurred and be continuing, the following transactions may be carried out and consummated:

(a) The renewal or extension of any Pledged Bonds at the same or a higher rate of interest;

(b) The issue and pledge in substitution for any Pledged Bonds of other bonds of not less than the aggregate principal amount of Pledged Bonds replaced, which shall be secured by the same or an equivalent or prior lien upon substantially all the property pledged and mortgaged under the Company's Refunding and Improvement Mortgage as of the date of this Indenture, including any property hereafter subjected to the lien of said Mortgage but excluding any property released from said lien pursuant to the provisions of said Mortgage, shall have a maturity date no earlier than October 1, 1984, and shall bear the same or a higher rate of interest.

All bonds so renewed or extended, if replaced by new bonds, and all bonds for which new bonds are substituted shall be delivered by the Trustee to the corporation issuing the same for retirement, and the securities or bonds so issued in renewal, extension or substitution shall forthwith, upon the issue thereof, be deposited and pledged hereunder to the same extent and in the same manner as the Pledged Bonds for which they are substituted.

SECTION 5.05. Unless an Event of Default shall have occurred and be continuing, the Trustee upon the written request of the Company, signed by the President or any Vice President, accompanied by a certified resolution of the Board of Directors shall consent to the renewal, extension or substitution of Pledged Bonds and of the liens securing such Pledged Bonds provided the Trustee shall have received an Opin-

ion of Counsel: that such renewed, extended or substituted Pledged Bonds are secured by the same or an equivalent or prior lien as the Pledged Bonds which they replace upon substantially all the property pledged and mortgaged under the Company's Refunding and Improvement Mortgage as of the date of this Indenture, including any property hereafter subjected to the lien of said Mortgage but excluding any property released from said lien pursuant to the provisions of said Mortgage, and that such renewal, extension or substitution has been duly authorized by the Company and is in compliance with the provisions of this Section.

SECTION 5.06. Unless and until an Event of Default shall have happened and be continuing, the Company shall have the right to withdraw Pledged Bonds in principal amount equal to the principal amount of the Bonds retired by operation of the sinking fund or redeemed at the option of the Company. Pledged Bonds withdrawn shall be surrendered to the Trustee under the mortgage securing the same for cancellation and no bonds shall be issued in lieu thereof.

ARTICLE SIX.

Remedies on Default.

SECTION 6.01. In case of the happening of one or more of the following events—in the Bonds and elsewhere in this Indenture sometimes termed "Events of Default"—that is to say:

(1) if default shall be made in the payment of any interest on any of the Bonds, when and as such interest shall have become due and payable, as therein expressed, and such default shall continue for thirty days; or

(2) if default shall be made in the payment of the principal (and premium, if any) of any of the Bonds when the same shall become due and payable, either by the terms thereof or otherwise as herein provided; or

(3) if default shall be made in the due and punctual making of any sinking fund payment, and such default shall continue for thirty days after such payment shall have become due; or

(4) if default shall be made in the due observance or performance of any other covenant or condition in this Indenture required to be kept or performed by the Company, and such default shall continue for ninety days after written notice specifying such default shall have been given to the Company by the Trustee, which such notice may be given by the Trustee in its discretion, and shall be given upon the receipt of the written request of the holders of at least ten per cent. (10%) in aggregate principal amount of the Bonds then outstanding; or

(5) if, by decree of a court of competent jurisdiction, the Company shall be adjudicated a bankrupt, or an order shall be made approving a petition filed other than by the Company seeking reorganization or readjustment of the Company under the Federal Bankruptcy Laws or other law or statute of the United States of America or of any state thereof, or, by order of such court entered otherwise than upon petition filed by, consented to or acquiesced in by the Company, a trustee in bankruptcy or reorganization or a receiver shall be appointed of all or substantially all of the property of the Company, and any such decree or order shall have continued unstayed on appeal or otherwise and in effect for a period of sixty days; or

(6) if the Company shall file a petition in bankruptcy, or shall consent to or acquiesce in the appointment of a trustee in bankruptcy or reorganization or a receiver of all or any part of its property, or shall file a petition seeking reorganization or readjustment under the Federal Bankruptcy Laws or other law or statute of the United States of America or of any state thereof, or shall file an answer admitting the material allegations of any such petition filed by creditors, or shall file a petition to take advantage of any debtor's act; or

(7) if an event of default under any mortgage securing Pledged Bonds shall happen;

then and in each and every such case, unless the principal of all the Bonds shall have already become due and payable, the Trustee, by notice in writing delivered to the Company, may declare, and, upon the written request of the holders of twenty-five per cent. (25%) in

aggregate principal amount of the Bonds at such time outstanding, the Trustee shall declare, the principal of all Bonds then outstanding hereunder to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any sale of the collateral security or any thereof shall have been made pursuant to the provisions of this Article, and before the Bonds mature by their terms, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, all arrears of interest upon all the Bonds (with interest on overdue instalments of interest at the rate borne by the Bonds) and the reasonable charges and expenses of the Trustee, its agents and attorneys, shall either be paid by the Company or be provided for by the deposit with the Trustee of a sum sufficient to pay the same or be collected out of income of the Pledged Bonds, and any and all defaults under the Indenture, other than the non-payment of principal, shall have been remedied—then and in every such case the holders of a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Company and to the Trustee, may waive all defaults and their consequences and rescind and annul such declaration; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of such waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 6.02. In case one or more Events of Default shall have happened and be subsisting, the Trustee in its discretion shall be entitled, either personally or by its agents or attorneys, to proceed,

and forthwith may proceed, to sell and convert into money, in one or more parcels, the Pledged Bonds, and any other property subject to the lien of this Indenture.

Such sale or sales shall be made, as the Trustee in its discretion may determine, at public auction at such place in the United States of America, and at such time and upon such terms, as the Trustee may fix and briefly specify in the notice of sale to be given as herein provided or as may be required by law.

SECTION 6.03. Upon the happening and during the subsistence of any Event of Default, the Trustee in its discretion, instead of exercising the power of sale hereinabove conferred upon it, may proceed, and, upon the written request of the holders of twenty-five per cent. (25%) in aggregate principal amount of the Bonds then outstanding and upon receiving reasonable indemnity, as provided in Section 7.01, against all costs, expenses and liabilities to be incurred, the Trustee shall proceed, by suit or suits at law or in equity, as the Trustee may be advised by counsel, to enforce the payment of the Bonds and coupons, and to foreclose this Indenture, and to sell the said collateral security and other property, under the judgment or decree of a court or courts of competent jurisdiction.

The Trustee in its discretion from time to time also may proceed, and upon being requested and indemnified as above in this Section mentioned, the Trustee shall proceed, to protect and to enforce any of the rights of the Trustee or of the bondholders under this Indenture, by a suit or suits at law or in equity for the specific performance of any covenant or agreement on the part of the Company contained in this Indenture, or for the enforcement of any other appropriate remedy, as the Trustee, being advised by counsel, may deem most effectual for the purpose.

Anything in this Indenture to the contrary notwithstanding, however, the holders of a majority in principal amount of the Bonds, from time to time shall have the right to direct and control the action of the Trustee in any proceedings under this Article.

SECTION 6.04. Notice of any sale at public auction whether under and by virtue of the power of sale herein conferred, or under or by virtue of any judgment or decree of foreclosure and sale or any other judicial proceedings, shall state the time when and the place 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 at least four times prior to such sale in an Authorized Newspaper.

SECTION 6.05. Upon the completion of any sale or sales under this Indenture, the Trustee shall assign or transfer and shall deliver to the accepted purchaser or purchasers such of the collateral security as shall have been sold to such purchaser or purchasers, and such assignment or transfer and such delivery shall be conclusive evidence of the validity of the transfer thereby effected. The Trustee and its successors as trustee hereunder hereby are irrevocably appointed the true and lawful attorney or attorneys of the Company, in its name and stead, to make all necessary assignments and transfers and deliveries of the property thus sold; and for that purpose it and they may execute all necessary acts of assignment and transfer and delivery and may substitute one or more persons with like power; the Company hereby ratifying and confirming all that its said attorney or attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustee, the Company shall ratify and confirm such sale or sales by executing and delivering to such purchaser or purchasers all proper transfers as may be designated in such request.

SECTION 6.06. The receipt of the Trustee for the purchase money 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 shall in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or shall be bound to inquire as to the authorization, necessity or expediency of any such sale or sales.

SECTION 6.07. In case of any sale, whether made under the power of sale in this Article granted or pursuant to judicial proceedings, the whole of the principal sums of the Bonds hereby secured, if not previously due, shall at once become due and payable, anything in said Bonds or in this Indenture to the contrary notwithstanding.

SECTION 6.08. Any sale made under or by virtue of this Article whether under the power of sale herein granted or pursuant to judicial proceedings, shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Company, in and to the property sold, and shall be a perpetual bar both at law and in equity against the Company, its successors and assigns, and against any and all persons claiming or to claim the property sold or any part thereof, from, through or under the Company or its successors or assigns.

SECTION 6.09. The purchase money, proceeds or avails of any such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, together with any other moneys that then may be held by the Trustee as part of the collateral security, shall be applied as follows:

(a) to the payment of the costs, expenses, fees and other charges of such sale or sales, and of a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee under this Indenture, and to the payment of all taxes or other governmental charges required to be paid upon or in respect of the collateral security or the income thereof, except any such taxes or charges subject to which such sales shall have been made;

(b) to the payment of the whole amount then owing or unpaid upon the outstanding Bonds hereby secured for both principal and interest, with interest at the rate specified in the Bonds on principal after maturity and (to the extent that such interest has been collected by the Trustee) on each semi-annual instalment of interest in default, whether accrued before or after the principal of the Bonds shall have become due, from the date of default; or in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest, ratably, 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;

(c) any surplus then remaining shall be paid to the Company, its successors or assigns, or to whosoever shall be lawfully entitled to receive the same.

Any payments made by the Trustee pursuant to the provisions of said paragraph shall be made on the date fixed therefor by the Trustee, upon presentation of the several Bonds and coupons and stamping thereon the amount paid if such Bonds and coupons be only partly paid, and upon surrender thereof if fully paid.

SECTION 6.10. In case of any sale hereunder, any purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to use and apply any Bonds and any matured and unpaid coupons and interest obligations hereby secured by presenting such Bonds and coupons in order that there may be credited, as paid thereon, the sums payable out of the net proceeds of such sale to the holder of such Bonds and coupons as his ratable share of such net proceeds, after the deduction of costs, expenses, compensations and other charges; and there shall be credited to such purchaser, on account of the purchase price payable by him, so much of the sums payable out of such net proceeds as shall be applicable to the payment of and as shall have been credited upon the Bonds and coupons so presented; and, at any such sale, any bondholder may bid for, and purchase, such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 6.11. The Company covenants that (1) in case default shall be made in the payment of any interest on any Bond or Bonds, at any time outstanding under this Indenture, and the default in the payment of such interest shall have continued for the period of thirty days, or (2) in case default shall be made in the payment of the principal (and premium, if any) of any such Bonds when the same shall have become payable, whether upon maturity of said Bonds or upon redemption or upon declaration as authorized by this Indenture, or upon sale as provided in Section 6.07 of this Article, or otherwise—then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Bonds and coupons issued hereunder and then outstanding, the whole amount that then shall have become due and payable on all such Bonds and coupons for principal (and premium, if any) or interest, or both, as the case may be, with interest upon the overdue principal and (to the extent that payment of such interest is

enforceable under applicable law) upon instalments of interest at the rate specified in the Bonds; and, in addition thereto, such further amount as shall be sufficient to defray the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder.

Until such demand is made by the Trustee, the Company may pay the principal (and premium, if any) of and interest on the Bonds to the bearer, and shall not be affected by any notice to the contrary, whether or not the Bonds be overdue.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to, and upon the written request of the holders of twenty-five per cent. (25%) in aggregate principal amount of the Bonds at such time outstanding, and upon being furnished with reasonable indemnity as provided in Section 7.01 against all costs, expenses and liabilities to be incurred, the Trustee shall, institute such actions or proceedings at law or in equity as may be advised by its counsel for the collection of the sum so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company and collect in the manner provided by law out of the property of the Company wherever situated the moneys adjudged or decreed to be payable.

The Trustee shall be entitled to recover judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the collateral security, and its right to recover such judgment shall not be affected by any sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture, or by the foreclosure of the lien hereof; and, in case of a sale of the collateral security, or any part thereof, and of the application of the proceeds of sale to the payment of the indebtedness represented by the Bonds, the Trustee, in its own name and as trustee of an express trust, shall be entitled to receive and to enforce payment of any and all deficiency or amounts then remaining due and unpaid for principal and interest as aforesaid upon any and all of the Bonds and coupons then outstanding, for the benefit of the holders thereof, and shall be entitled to recover

judgment for any portion of such indebtedness remaining unpaid, with interest. No recovery of any judgment by the Trustee and no levy of any execution under any such judgment upon the collateral security, or any part thereof, or upon any other property, shall, in any manner or to any extent, affect or impair the lien of the Trustee upon the Pledged Bonds, or any part thereof, or upon any other property, or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the holders of the Bonds; but such lien, rights, powers and remedies shall continue unaffected and unimpaired as before.

Any moneys collected by the Trustee, together with any moneys then held by the Trustee as part of the collateral security shall be applied, at the date or dates fixed by the Trustee for the distribution of such moneys, in the order provided in Section 6.09.

SECTION 6.12. All rights of action and of asserting claims under this Indenture, or under any of said Bonds or coupons, may be enforced by the Trustee without the possession of any of the Bonds or coupons, or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee.

SECTION 6.13. No delay or omission of the Trustee or of any holder of any of the Bonds or coupons to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the bondholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the bondholders.

SECTION 6.14. No holder of any Bond issued hereunder shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless, also, the holders of twenty-five per

cent. (25%) in aggregate principal amount of the Bonds then outstanding shall have made written request upon the Trustee to act hereunder, and unless, also, one or more of the holders of the Bonds shall have offered to the Trustee reasonable indemnity as provided in Section 7.01 against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to act; and such notification, request and offer of indemnity are hereby declared, in every such case, to be conditions precedent to the execution by any bondholder of the powers and trusts of this Indenture, and to any action or cause of action for any remedy hereunder; it being understood and intended, and being expressly covenanted by the taker and holder of every Bond issued hereunder with every other taker and holder and the Trustee, that no one or more holders of Bonds and coupons shall have any right in any manner whatever by virtue of or by availing of any provisions of this Indenture to affect, disturb or prejudice the rights of the holders of any other of such Bonds and coupons, or to obtain or seek to obtain priority over or preference to any other such holder, or to disturb the lien of this Indenture or to enforce any right under this Indenture, except in the manner herein provided, and that all such proceedings at law or in equity shall be had for the equal, ratable and common benefit of all holders of outstanding Bonds and coupons.

Nothing contained in this Indenture or in the Bonds, shall alter or impair the obligation of the Company, which is unconditional and absolute, to pay the principal of, premium, if any, and interest on the Bonds as therein promised, or alter or impair the right of action, which is also absolute and unconditional, of any holder of the Bonds or coupons to enforce such payment.

ARTICLE SEVEN.

Concerning the Trustee.

SECTION 7.01. The Trustee accepts the trust hereby created upon the following terms and conditions, to all of which the Company and the holders of the Bonds at any time outstanding, by their acceptance thereof, agree:

(a) The recitals herein and in the Bonds contained shall be taken as the statements of the Company and the Trustee assumes no responsibility for the correctness of the same.

(b) The Trustee may execute any of the trusts under this Indenture or exercise any of the powers hereby vested in the Trustee or perform any duty hereunder either itself or by or through its attorneys, agents, or employees, and the Trustee shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees provided reasonable care has been exercised in the selection thereof, nor shall the Trustee be otherwise answerable or accountable, except for its own individual negligence or bad faith. The Trustee shall not be under any obligation or duty to perform any act hereunder or to institute, appear in or defend any suit in respect hereof unless first reasonably indemnified but this provision shall not affect any discretionary power herein given to the Trustee to determine whether or not the Trustee shall take action in respect of any default hereunder or otherwise.

(c) The Trustee shall be protected with respect to any action taken, suffered, or omitted by it in reliance upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document, or instrument believed by it to be genuine and to be signed, sent or presented by the proper parties. Any of such documents required by any of the provisions of this Indenture as a condition of any action by the Trustee may be received by the Trustee as conclusive evidence of any statement of opinion therein contained and shall be full warrant, authority and protection to the Trustee acting on the faith thereof not only in respect of the statements therein made but also in respect of the opinions therein set forth. Any matter required to be proved or established prior to the Trustee taking, suffering or omitting any action hereunder may be deemed to be conclusively proved and established by an Officers Certificate, and said certificate shall be full warrant to the Trustee for any action taken, suffered

or omitted by it on the faith thereof, but in its discretion the Trustee may in lieu thereof or in addition thereto require or accept other evidence of the fact or matter. The Trustee may employ such counsel, accountants, appraisers, engineers or other experts as it may deem desirable, and any action taken, suffered or omitted by the Trustee hereunder in good faith and in accordance with the advice of any such expert shall be conclusive upon the Company and upon all of the holders of the Bonds.

(d) The Company covenants and agrees to pay to the Trustee from time to time on demand of the Trustee reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of the trustee of an express trust) for all services rendered by the Trustee hereunder and also all their reasonable expenses and counsel fees, fees of other experts and other disbursements and those of their attorneys, agents and employees incurred in and by the administration and execution of the trusts hereby created and the exercise of their powers and the performance of their duties hereunder. In default of payment by the Company, the Trustee shall have a lien therefor on the collateral security and the proceeds thereof, prior to the lien of the Bonds issued hereunder.

(e) The Trustee shall not be liable for interest on any moneys paid to or deposited with it under this Indenture during the period such moneys shall remain on deposit with it, except such interest as the Trustee may agree on with the Company; provided, however, that the Trustee, at the request of the Company, shall invest all or any part of such moneys in obligations of the United States of America maturing not more than three years from the date of such investment, and shall sell the same at the request of the Company. Any interest received by the Trustee on any such investment shall be paid over by the Trustee to the Company unless and until an Event of Default shall have happened and be continuing.

(f) The Trustee or any company in or with which the Trustee may be interested or affiliated, or any officer or director

or trustee or stockholder of the Trustee or of any such company, may acquire and hold Bonds issued hereunder, or may engage in or be interested in any financial or other transaction with the Company or any corporation in which the Company may be interested, and the Trustee may act as depository, trustee, transfer agent, registrar or agent for the Company or for any committee or other body, firm or corporation in respect of any bonds, notes or other securities, whether or not issued pursuant hereto.

(g) Any action at any time taken by the Trustee pursuant to or with respect to this Indenture, at the request or with the consent or approval (expressed or implied) of any person who at the time is the holder of any Bonds secured hereby, shall be conclusive and binding upon all future holders of such Bond and of Bonds issued in exchange therefor or in place thereof.

(h) The Trustee may construe any of the provisions of this Indenture, insofar as the same may appear to be ambiguous or inconsistent with any other of such provisions; and any construction so placed upon any provision hereof by the Trustee in good faith and in accordance with an Opinion of Counsel shall be binding upon the Company and upon all holders of the Bonds.

(i) No implied covenant shall be read into this Indenture against the Trustee but the duties of the Trustee to the Company and all others shall be determined solely by the provisions of this Indenture; and all questions or controversies as to the liability of the Trustee hereunder shall be governed by the laws of the State of New York and no action, suit or other legal proceeding against the Trustee shall be instituted or conducted in any court in any other state or country, except with the written consent of the Trustee.

(j) Whenever in the administration of the trusts under this Indenture the Trustee shall deem it necessary or desirable that something be proved or established prior to taking, suffering or omitting any action hereunder, unless other evidence thereof be

herein specifically prescribed, it may be deemed to be conclusively established by an Officers Certificate delivered to the Trustee and said Certificate shall be full warrant to the Trustee for any action taken, suffered or omitted by it in good faith in reliance thereon, but the Trustee may require such further or additional evidence as to it may seem reasonable.

SECTION 7.02. Subject to the provisions of Section 14.04, any moneys which at any time shall be deposited under this Indenture with the Trustee or with any paying agent by or for the account of the Company shall be held in trust by the Trustee or such paying agent until paid conformably with the provisions of this Indenture.

SECTION 7.03. The Trustee or any successor Trustee may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company and thereafter publishing notice thereof specifying a date when the resignation shall take effect, once a week for two successive weeks in an authorized newspaper, and the resignation shall take effect on the day specified in the notice, unless previously a successor Trustee shall have been appointed by the bondholders or the Company as hereinafter provided, in which event the resignation shall take effect immediately upon the appointment of said successor Trustee.

SECTION 7.04. In case at any time the Trustee shall resign or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver of the Trustee or of any successor or of its property shall be appointed, or if any public officer in the exercise of his official powers shall take charge or control of the Trustee or of any successor or of its property or affairs, at any time within one year after the happening of any of said events, a successor hereunder may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by said bondholders or by their attorneys-in-fact duly authorized, and delivered to such new trustee hereunder, notification thereof being given to the Company and the predecessor trustee; *provided, however,* that until a new trustee shall be appointed hereunder by the bondholders as aforesaid the Company by instrument executed by order of its Board of Directors

and duly acknowledged by its proper officers may appoint a trustee hereunder to fill the vacancy until a new trustee hereunder shall be appointed by the bondholders, as herein authorized. The Company shall publish notice of any such appointment by it made once in each week for two consecutive weeks in an Authorized Newspaper. Any such new trustee appointed by the Company shall immediately and without further act be superseded by a trustee hereunder appointed by the bondholders as above provided.

Every trustee appointed in succession to the Trustee, or its successor in the trust, shall be a trust company or a banking corporation having an office in the Borough of Manhattan, The City of New York, in good standing and having a capital and surplus aggregating at least \$5,000,000, if there be such a trust company or banking corporation qualified, able and willing to accept the trust upon reasonable or customary terms.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section within one year after the happening of any of the events set forth in the first paragraph of this Section the holder of any Bond outstanding hereunder or any retiring trustee hereunder may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint a successor trustee.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor trustee and also to the Company an instrument accepting the appointment hereunder, and thereupon said successor trustee without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the retiring trustee shall nevertheless on the written request of the Company or of the successor trustee and upon payment of its unpaid compensation and expenses, if any, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in said successor trustee all the right, title and interest of the retiring trustee which it succeeds, in and to the collateral security and said rights, powers, trusts, duties and obligations; and the retiring trustee shall also upon like request and pay-

ment of its unpaid compensation and expenses, as aforesaid, pay over, assign and deliver to the successor trustee any money and other property subject to the lien of this Indenture. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to the new trustee said estates, rights, powers and duties, any and all said deeds, conveyances and instruments in writing shall on request be executed, acknowledged and delivered by the Company.

SECTION 7.05. Any corporation into which the Trustee may be merged, or with which it may be consolidated, or any corporation resulting from any merger, consolidation or reorganization to which the Trustee shall be a party, or any corporation succeeding to the banking business of the Trustee, shall be the successor Trustee under this Indenture without the execution or filing of any paper or the performance of any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE EIGHT.

Concerning the Bondholders.

SECTION 8.01. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Bonds may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by bondholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Bonds voting in favor thereof at any meeting of bondholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of bondholders.

SECTION 8.02. Subject to the provisions of Section 9.05, proof of the execution of any instrument by a bondholder or his agent or proxy and proof of the holding by any person of any of the Bonds shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer.

The fact of the holding by any bondholder of coupon Bonds transferable by delivery, and the principal amounts and identifying numbers of such Bonds and the date of his holding the same, may be proved by the production of such Bonds or by a certificate executed by any trust company, bank or banker satisfactory to the Trustee wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a coupon Bond of a specified principal amount and bearing a specified identifying number was deposited with or exhibited to such trust company, bank or banker by the person named in such certificate. Any such certificate may be issued in respect of one or more Bonds specified therein. The holding by the person named in any such certificate of any Bond specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (1) another certificate bearing a later date issued in respect of the same Bond shall be produced, or (2) the Bond specified in such certificate shall be produced by some other person, or (3) the Bond specified in such certificate shall be registered as to principal or shall have ceased to be outstanding.

The fact and date of the execution of any such instrument and the amount and numbers of Bonds held by the person so executing such instrument, may also be proved in any other manner which the Trustee may deem sufficient.

The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registers of such Bonds or by a certificate of the registrar thereof.

SECTION 8.03. In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any direction, consent or waiver under this Indenture, Bonds which are owned by the Company or any other obligor on the Bonds, or by any person directly

or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Bonds which the Trustee knows are so owned shall be so disregarded.

SECTION 8.04. At any time prior to the taking of any action by the holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any holder of a Bond the identifying number of which is shown by the evidence to be included in the Bonds the holders of which have consented to such action may, by filing written notice with the Trustee at its office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Bond. Except as aforesaid any such action taken by the holder of any Bond shall be conclusive and binding upon such holder and upon all future holders and owners of such Bond and of any Bond issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the Bonds.

ARTICLE NINE.

Bondholders Meetings.

SECTION 9.01. A meeting of bondholders may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

- (1) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any default hereunder and its consequences, or to take any other action authorized to be taken by bondholders pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Bonds under any other provision of this Indenture or under applicable law.

SECTION 9.02. The Trustee may at any time call a meeting of bondholders to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of the bondholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be published at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York, the first publication to be not less than twenty nor more than one hundred and eighty days prior to the date fixed for the meeting. It shall not be necessary for more than one such publication to be made in the same newspaper.

SECTION 9.03. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten per cent. in aggregate principal amount of the Bonds then outstanding, shall have requested the Trustee to call a meeting of bondholders to take any action authorized in Section 9.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within thirty days after receipt of such request, then the Company or the holders of the Bonds in the amount above specified may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting by publishing notice thereof as provided in Section 9.02.

SECTION 9.04. To be entitled to vote at any meeting of bondholders a person shall (a) be a holder of one or more coupon Bonds transferable by delivery; or (b) be a registered holder of one or more Bonds

(whether the same be fully registered or registered only as to principal); or (c) be a person appointed by an instrument in writing as proxy by a holder of one or more coupon Bonds transferable by delivery or by a registered holder of one or more Bonds (whether the same be fully registered or registered only as to principal). The only persons who shall be entitled to be present or to speak at any meeting of the bondholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of bondholders, in regard to proof of the holding of Bonds and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Section 8.02 and the appointment of any proxy shall be proved in the manner specified in said Section 8.02 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker or trust company authorized by said Section 8.02 to certify to the holding of Bonds transferable by delivery.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by bondholders as provided in Section 9.03, in which case the Company or the bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

Subject to the provisions of Section 8.03, at any meeting each bondholder or proxy shall be entitled to one vote for each \$1,000 principal amount of Bonds held or represented by him, provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote except as a bondholder or proxy. Any meeting of

bondholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

SECTION 9.06. The vote upon any resolution submitted to any meeting of bondholders shall be by written ballot on which shall be subscribed the signatures of the bondholders or proxies and on which shall be inscribed the identifying number or numbers or to which shall be attached a list of identifying numbers of the Bonds held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 9.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE TEN.

Supplemental Indentures.

SECTION 10.01. The Company, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Eleven hereof;

(b) to add to the covenants of the Company such further covenants, restrictions, conditions or provisions as its Board of Directors and the Trustee shall consider to be for the protection of the holders of Bonds, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth, with such period of grace, if any, and subject to such conditions as such supplemental indenture may provide;

(c) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; to convey, transfer, assign, mortgage or pledge any property to or with the Trustee; or to make such other provisions in regard to matters or questions arising under this Indenture as shall not adversely affect the interests of the holders of the Bonds.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Company and the Trustee without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. With the consent (evidenced as provided in Section 8.01) of the holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of the Bonds at the time outstanding, the Company, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provi-

sions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Bonds and coupons; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Bonds, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds, the consent of the holders of which is required for any such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

Upon the request of the Company, accompanied by a copy of a resolution of its Board of Directors certified by the Secretary or an Assistant Secretary of the Company authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of bondholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the bondholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Company shall publish a notice, setting forth in general terms the substance of such supplemental indenture, at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York. Any failure of the Company to publish such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 10.03. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders

of Bonds and coupons shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee may receive an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the provisions of this Article Ten.

SECTION 10.04. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. New Bonds so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Company, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Company, authenticated by the Trustee and delivered in exchange for the Bonds then outstanding.

ARTICLE ELEVEN.

Consolidation, Merger, Sale, Conveyance or Lease.

SECTION 11.01. The Company covenants that it will not merge or consolidate with any other corporation or sell or convey or lease all or substantially all of its assets to any person, firm or corporation, unless (i) either the Company shall be the continuing corporation, or the successor corporation (if other than the Company) shall be a corporation organized and existing under the laws of the United States of America or a state thereof and such corporation shall expressly assume the due and punctual payment of the principal of (and premium, if any) and interest on all the Bonds, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation, (ii) the Company or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance or lease, be

in default in the performance of any such covenant or condition, (iii) the lien of the mortgage securing the Pledged Bonds shall not be impaired, and (iv) any such lease shall be made expressly subject to immediate termination by the Company or by the Trustee at any time upon the occurrence and during the continuance of an Event of Default.

SECTION 11.02. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of Northern Pacific Railway Company, any or all of the Bonds issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Bonds which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Bonds which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Bonds so issued shall in all respects have the same legal rank and benefit under this Indenture as the Bonds theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Bonds had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in the Bonds thereafter to be issued as may be appropriate.

ARTICLE TWELVE.

Satisfaction and Discharge of Indenture.

SECTION 12.01. If at any time (a) the Company shall have delivered to the Trustee cancelled or for cancellation all Bonds theretofore authenticated and all coupons appertaining thereto (other than any

Bonds and coupons which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.07), or (b) all such Bonds and coupons not theretofore delivered to the Trustee cancelled or for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit or cause to be deposited with the Trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all such Bonds and coupons not theretofore delivered to the Trustee cancelled or for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect, and the Trustee, on demand of and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture and shall redeliver to the Company all of the Pledged Bonds and any other property then held hereunder. The Company agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Bonds.

SECTION 12.02. All moneys deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company acting as its own paying agent), to the holders of the particular Bonds and coupons for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 12.03. In connection with the satisfaction and discharge of this Indenture all moneys then held by any paying agent under the provisions of this Indenture shall, upon demand of the Company, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

ARTICLE THIRTEEN.**Immunity of Incorporators, Stockholders,
Officers and Directors.**

SECTION 13.01. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond or coupon, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Bonds by the holders thereof and as part of the consideration for the issue of the Bonds.

ARTICLE FOURTEEN.**Miscellaneous Provisions.**

SECTION 14.01. Nothing in this Indenture or in the Bonds expressed or implied, shall give or be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all its covenants and provisions being for the sole benefit of the parties hereto and of the holders of the Bonds and coupons except as provided in Section 13.01.

SECTION 14.02. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 14.03. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Bonds to or on the Company may be

given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Company with the Trustee), as follows: Northern Pacific Railway Company, St. Paul 1, Minnesota. Any notice, direction, request or demand by any bondholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the principal office of the Trustee.

SECTION 14.04. Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of (and premium, if any) or interest on any Bond and not applied but remaining unclaimed for six years after the date upon which such principal (and premium, if any) or interest shall have become due and payable, shall be repaid to the Company by the Trustee or such paying agent on demand, and the holder of such Bond or coupons shall thereafter look only to the Company for any payment which such holder may be entitled to collect and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease; provided, however, that the Trustee or such paying agent, before being required to make any such repayment, may at the expense of the Company cause to be published once a week for two successive weeks (in each case on any day of the week) in an Authorized Newspaper in the Borough of Manhattan, The City of New York, a notice that said moneys have not been so applied and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Company. It shall not be necessary for more than one such publication to be made in the same newspaper.

SECTION 14.05. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bond shall be, in The City of New York, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 14.06. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, the party of the second part, hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, NORTHERN PACIFIC RAILWAY COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President or one of its Vice Presidents, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary; and THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, the party of the second part, has caused this Indenture to be signed and acknowledged by one of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be affixed hereunto, and the same to be attested by its Cashier or an Assistant Cashier, all as of the day and year first above written.

NORTHERN PACIFIC RAILWAY COMPANY,

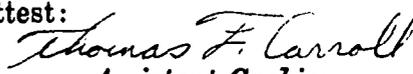
Attest:

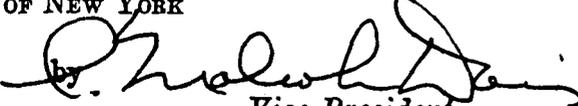
 Assistant Secretary

by 
 Vice President

(CORPORATE SEAL)

THE FIRST NATIONAL BANK OF THE
 CITY OF NEW YORK

Attest:

 Assistant Cashier

by 
 Vice President

(CORPORATE SEAL)

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.:

On the ^{14th} day of October, 1954 before me personally came
J. H. POORE to me known, who, being by me duly sworn, did depose
 and say that he resides at *ST. PAUL MINNESOTA*; that he
 is a Vice President of NORTHERN PACIFIC RAILWAY COMPANY, one
 of the parties described in and which executed the above instrument;
 that he knows the corporate seal of said corporation; that the seal
 affixed to the said instrument is such corporate seal; that it was so
 affixed by authority of the board of directors of said corporation, and
 that he signed his name thereto by like authority.

Edna Veith

EDNA VEITH
 Notary Public for the State of New York
 Qualified in New York County
 No. 31-4092750
 Commission Expires March 30, 1955

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.:

On the day of October, 1954 before me personally came
 C. MALCOLM DAVIS to me known, who, being by me duly sworn, did depose
 and say that he resides at *MORRISTOWN, N.J.*; that he is *VICE PRESIDENT*
 of THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, a national
 banking association, one of the parties described in and which executed
 the above instrument; that he knows the corporate seal of said associa-
 tion; that the seal affixed to the said instrument is such corporate seal;
 that it was so affixed by authority of the board of directors of said
 association, and that he signed his name thereto by like authority.

Edna Veith

EDNA VEITH
 Notary Public for the State of New York
 Qualified in New York County
 No. 31-4092750
 Commission Expires March 30, 1955