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BOOK 78 - 1E 182

Executed in 560 Counterparts
of which this is No. 242

BURLINGTON NORTHERN INC.

TO

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

AND

JACOB M. FORD II

Trustees

Consolidated Mortgage

Dated March 2, 1970

McGONICK AND HENDERSON, INC., CHICAGO

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THIS INDENTURE dated March 2, 1970 by and between BURLINGTON NORTHERN INC., a corporation of the State of Delaware, hereinafter called the "Company", party of the first part, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, and JACOB M. FOND II, of St. Joseph, Missouri, as Trustees, parties of the second part, hereinafter called when referred to jointly the "Trustees" and, when referred to separately, the "Corporate Trustee" and the "Individual Trustee", respectively;

WHEREAS, the Company owns, or is in possession of, under leases or other arrangements, and operates, lines of railroad in the States of California, Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington and Wisconsin and in the Provinces of British Columbia and Manitoba, Canada; and

WHEREAS, the Company expects that Chicago, Burlington & Quincy Railroad Company will shortly be merged into the Company and herein covenants that upon such merger certain properties thereof in the States of Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, South Dakota, Wisconsin and Wyoming will be subjected to the lien of this Indenture; and

WHEREAS, the Company desires to provide funds for its lawful corporate purposes and to borrow money for such corporate purposes; and the Company, pursuant to resolutions duly adopted at a special meeting of stockholders called and held for that purpose on May 11, 1961, upon due notice, and pursuant to resolutions duly adopted by its Board of Directors, has authorized the creation of the mortgage imposed by this Indenture upon properties of the Company and the issue hereunder from time to time, in the manner and form provided in this Indenture, of its mortgage bonds, to be known as its Consolidated Mortgage Bonds; and

WHEREAS, the Board of Directors of the Company has approved the form and terms of this Indenture and has duly authorized and directed the execution and delivery of this Indenture to the Trustees; and

WHEREAS, the Bonds may be issued in series, of which the first series is to be designated Consolidated Mortgage 4% Bonds, Series A, Due 1984; and

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

[FORM OF COUPON BOND OF SERIES A]

No.

\$1,000

BURLINGTON NORTHERN INC.

CONSOLIDATED MORTGAGE 4% BOND, SERIES A, DUE 1984

BURLINGTON NORTHERN INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called 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), at the office or agency of the Company in the Borough of Manhattan, City and State of New York, the principal sum of

One Thousand Dollars (\$1,000),

on October 1, 1984, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate of 4% per annum, at said office or agency in like coin or currency, from October 1, 1969, 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, until the maturity hereof, only upon presentation and surrender of the coupons for such interest installments as are evidenced thereby, hereto appertaining, as they shall severally mature.

This Bond is one of the Consolidated Mortgage Bonds of the Company, hereinafter sometimes called the Bonds, all issued and to be issued in one or more series under, and equally secured by, an indenture, dated March 2, 1970, executed by the Company to Morgan

GUARANTY TRUST COMPANY OF NEW YORK, a corporation duly organized and existing under the laws of the State of New York (hereinafter called the "Corporate Trustee"), and Jacob M. Ford II, as Trustees, hereinafter sometimes called the "Indenture", to which Indenture and any and all supplements thereto reference is hereby made for a description of the properties and franchises mortgaged and pledged, the nature and extent of security and the rights of the holders of the Bonds and coupons and the rights, duties and immunities of the Trustees thereunder.

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 absolute and unconditional, to pay the principal of and interest on this Bond at the time and place and at the rate or rates and in the currency herein prescribed.

This Bond is one of a series of the Bonds known as Consolidated Mortgage 4½ Bonds, Series A, Due 1984. The aggregate principal amount of Bonds of Series A which may be outstanding at any time is limited to the principal amount of \$58,500,000.

The Bonds are issuable in series and the several series of Bonds may be for varying aggregate principal amounts, and the Bonds of any one series may differ from the Bonds of any other series as to denomination, date, maturity, interest rate, redemption, conversion, and sinking fund provisions, if any, place or places and money or moneys of payment, registration and otherwise, all as in the Indenture provided.

If an Event of Default as defined in the Indenture shall occur, the principal of the Bonds may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

As more particularly provided in the Indenture, the Bonds of Series A are redeemable before maturity at the option of the Company at any time as a whole upon notice as provided in the Indenture at the following redemption prices (expressed in percentages of the principal amount) together with accrued interest to the date fixed for redemption: to and including July 1, 1970, 101½; and thereafter, 100%.

The Indenture permits the amendment thereof and the modification or alteration in any respect of the rights and obligations of the Company and the rights of the holders of the Bonds of all or any series and the holders of appurtenant coupons, if any, thereunder at any time by the concurrent action of the Company and of the holders of specified percentages of the Bonds then outstanding affected by such amendment, modification or alteration, including, in the case, among others, of a modification of the terms of payment of the principal of, or interest on, this Bond, the consent of the holder hereof, all as more fully provided in the Indenture.

This Bond is transferable by delivery unless registered as herein provided. This Bond may be registered as to principal in the holder's name at the office or agency of the Company in the Borough of Manhattan, City and State of New York, such registration being noted hereon, after which no transfer shall be valid unless made at said office or agency by the registered holder, in person or by attorney, and similarly noted hereon; but this Bond may be discharged from registration by like transfer to bearer similarly noted hereon, whereupon transferability by delivery shall be restored. This Bond shall continue to be subject to successive registrations and transfers to bearer. No such registration, however, shall affect the transferability by delivery of the coupons for interest hereto attached, which shall always continue to be payable to bearer and to be transferable by delivery.

The Company may for all purposes treat the bearer of any coupon, or the bearer of any coupon Bond which shall not at the time be registered as to principal, as the absolute owner of such coupon or coupon Bond, or the person in whose name any coupon Bond may be registered as to principal, as the absolute owner of such Bond, notwithstanding any notice to the contrary.

The coupon Bonds of Series A are issuable in the denomination of \$1,000. The registered Bonds without coupons of Series A are issuable in the denomination of \$1,000 or any multiple thereof. The coupon Bonds of Series A and the registered Bonds without coupons of Series A, and the several denominations of registered Bonds without coupons of Series A, are interchangeable in like

aggregate principal amounts upon presentation for that purpose and upon payment of charges, all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond against any incorporator, stockholder, officer or director, as such, of the Company by virtue of any statute or by the enforcement of any assessment, or otherwise, howsoever.

Neither this Bond nor any coupon appertaining hereto shall be secured by or entitled to any benefits under the Indenture, or be valid or obligatory for any purpose, until this Bond shall have been authenticated by the certificate hereon of the Corporate Trustee.

IN WITNESS WHEREOF, Burlington Northern Inc. has caused this Bond to be signed by the manual or facsimile signature of its Chairman of the Board or its President or one of its Vice Presidents and its corporate seal or a facsimile thereof to be affixed hereto or imprinted hereon and to be attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries, and coupons for interest, bearing the facsimile signature of its Treasurer, to be attached hereto.

BURLINGTON NORTHERN INC.

By

Chairman of the Board

[Date]

Attest:

Secretary

[FORM OF INTEREST COUPONS FOR BONDS OF SERIES A]

\$20.00

On _____, 19____, unless the Bond below mentioned shall have been called for previous redemption and payment thereof duly provided for, Burlington Northern Inc. will pay to bearer upon surrender of this coupon at its office or agency in the Borough of Manhattan, City and State of New York, the amount shown hereon, 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 Consolidated Mortgage 4% Bond, Series A, Due 1984, No. _____.

Treasurer

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

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

[FORM OF CORPORATE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds, of the series designated therein, referred to in the within-mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
as Corporate Trustee

By _____
Authorized Officer

and

WHEREAS, the Bonds of any other series and the Corporate Trustee's certificate of authentication thereon are to be substantially in the forms herein provided for the Bonds of Series A with such

additions and changes, if any, as shall be necessary to reflect any differences in or provisions for dates, dates of maturity, denominations, interest rates, redemption and sinking fund provisions, provisions as to conversion, place or places and money or moneys of payment, and registration and such other variations between series of Bonds as may be provided for in this Indenture or any supplement hereto; and

WHEREAS, all acts and things prescribed by law and by the Certificate of Incorporation and By-Laws of the Company have been duly performed and complied with and the Company has executed this Indenture in the exercise of legal right, power and authority in it vested and all things necessary to make the Bonds, when executed by the Company and authenticated by the Corporate Trustee, the valid and binding obligations of the Company, and to make this Indenture a valid and binding mortgage, deed of trust and agreement for the security of the Bonds and coupons, have been done and performed:

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That for and in consideration of the premises, and in consideration of the acceptance of the Bonds by the holders thereof, and of the sum of Ten Dollars (\$10.00) lawful money of the United States of America duly paid by the Trustees to the Company at the time of delivery of this Indenture, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and premium, if any, on all the Bonds at any time issued and outstanding under this Indenture, according to their tenor and effect, and the interest on all of such Bonds when and as the same shall become payable, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and in order to charge with such payment and with such performance and observance the premises, railroads, railroad property and appurtenances, rights, privileges, franchises, estates, leaseholds, securities, and other property, real and personal, hereinafter described, the Company has executed and delivered this Indenture and has mortgaged, pledged, granted, given, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned,

transferred and set over and by these presents does mortgage, pledge, grant, give, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over unto the Trustees, and to their successor or successors in the trust and their ass gns:

FIRST: All and singular the Company's right, title and interest on the date of this Indenture in all lines of railroad owned by it solely or jointly or in common with others (other than the lines of railroad formerly owned by Great Northern Railway Company and heretofore included in its Klamath Division extending southerly from the end of the lines of railroad now owned by Oregon Trunk Railway at Bend, Oregon, and other than the lines of railroad formerly owned by the Pacific Coast R. R. Co., located within King County, Washington) including, specifically but not exclusively, the lines of railroad described in Exhibit A which is annexed hereto and made a part hereof.

SECOND: Any and all rights of way, easements, lands, tenements and hereditaments, fixtures, structures and improvements of whatever kind or description and wherever situated, now or hereafter owned by the Company and appurtenant to any of the Company's lines of railroad or other real property subject to the lien of this Indenture, including, without limitation, any and all main, branch, spur, industrial, switch, connecting, storage, yard or terminal tracks, superstructures, roadbeds, bridges, trestles, culverts, viaducts, buildings, depots, stations, stockyards, warehouses, elevators, earhouses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph, telephone and other communication facilities, fences, docks, structures and fixtures, and all other things of whatsoever kind appurtenant to any of the Company's lines of railroad or other real property subject to the lien of this Indenture. Nothing in this Granting Clause SECOND contained shall be deemed to subject to the lien of this Indenture (i) any lands, or any interests therein, not now used or hereafter acquired for use by the Company in railroad transportation service or (ii) any lands adjacent to lines of railroad, or any interests therein, now used or hereafter acquired for use by the Company for industrial purposes and not now used or hereafter acquired for use in railroad transportation service.

THIRD: All rights to the use of any and all telegraph, telephone or other communication facilities along the Company's lines of railroad subject to the lien of this Indenture, as they may be used from time to time or may be subject to use by the Company.

FOURTH: All right, title and interest of the Company in and to all Equipment, machinery, tools, implements, materials and supplies used or useful in the business of railroad transportation and assigned for use on or appurtenant to the Company's lines of railroad subject to the lien of this Indenture, now or hereafter owned by, or the title to which is vested in, the Company, including all right, title and interest vested in the Company in and to any and all such Equipment leased to or possessed by the Company under any equipment trust agreement and lease, conditional sale agreement, lease, or chattel mortgage.

FIFTH: The shares of capital stock owned by the Company and pledged with or assigned to the Corporate Trustee which are described in Exhibit B which is annexed hereto and made a part hereof.

SIXTH: \$70,000,000 principal amount of First and Refunding Mortgage Series of 2010 4% Bonds issued under and pursuant to the Chicago, Burlington & Quincy Railroad Company's First and Refunding Mortgage dated February 1, 1921, as supplemented.

SEVENTH: Any and all additions, betterments and improvements hereafter acquired or constructed to or upon or appurtenant to any of the Company's lines of railroad subject to the lien of this Indenture, or to or upon or appurtenant to any other property subject to the lien of this Indenture, including any and all additions, betterments and improvements to Equipment subject to the lien of this Indenture.

EIGHTH: Any and all corporate rights, powers, franchises, privileges and immunities now or hereafter owned or possessed by the Company which may be necessary for or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the Company's lines of railroad subject to the lien of this Indenture or any other property subject to the lien of this Indenture.

NINTH: All and singular the Company's right, title and interest on the date of this Indenture or hereafter acquired in, to or under all leases and all trackage, joint facility and other operating contracts or agreements, and all amendments, renewals and extensions thereof, leasing or granting the right to use lines of railroad (and appurtenant facilities) owned by others (including specifically but not exclusively the leases and trackage, joint facility and other operating contracts or agreements described in Exhibit C which is annexed hereto and made a part hereof) and appurtenant to any of the Company's lines of railroad subject to the lien of this Indenture or relating to the ownership, use or operation of any terminals or stations (including union stations) situated along, or at the terminus of, any such lines of railroad; together with all and singular the Company's right, title and interest on the date of this Indenture or hereafter acquired in, to or under all leases and all trackage, joint facility and other operating contracts or agreements leasing or granting to others the right to use lines of railroad subject to the lien of this Indenture and facilities appurtenant thereto, including any terminals or stations (including union stations) situated along, or at the terminus of, any such lines of railroad. Nothing herein contained shall be deemed to subject to the lien of this Indenture any lease by the Company entered into before, on or after the date of this Indenture of the properties of Spokane, Portland and Seattle Railway Company or the rights granted to Great Northern Railway Company and its successors for a term ending January 1, 1927 by contract dated November 18, 1927 between Central Pacific Railway Company, Southern Pacific Company, and Great Northern Railway Company.

TENTH: All the estate, right, title and interest which the Company at any time hereafter may acquire in or to any property at the time subject to the lien of this Indenture.

ELEVENTH: All the estate, right, title and interest which the Company at any time hereafter may acquire in or to:

(1) any property or securities

(a) if Bonds shall have been authenticated and delivered, or Deposited Cash used, (i) to pay, or to reimburse the treasury of the Company for, any part of the cost of such property

or securities, or (ii) to discharge or reduce any lien or charge upon such property or (iii) to pay, or reimburse the treasury of the Company for, any part of the cost of any Bondable Additions to or on such property, or

(b) if such property or securities shall become subject to the lien hereof pursuant to any of the provisions of this Indenture; and

(2) any securities of a corporation owning any property which, if acquired by the Company, would become subject to the lien of this Indenture.

TWELFTH: Any and all property of every kind and description which, at any time hereafter, by indenture or indentures supplemental hereto, may be expressly conveyed, mortgaged or pledged, delivered, assigned or transferred to the Trustees by the Company, or with its consent by anyone in its behalf, the Trustees being hereby authorized at any time and at all times to receive such conveyance, mortgage, pledge, delivery, assignment or transfer and to hold and apply any and all such property subject to the trusts of this Indenture; but any conveyance, mortgage, pledge, delivery, assignment or transfer pursuant to the provisions of this Granting Clause **TWELFTH** which is not required to be made under any provision of this Indenture may be made subject to any liens, present or future, reservations, limitations, conditions and provisions which shall be specified or set forth in such supplemental indenture.

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

Unless and until one or more of the Events of Default shall have happened, it is not intended to include in the lien hereof and this grant shall not be deemed to apply to (a) any rents, issues, tolls, profits or other income of the property herein or hereafter mortgaged, pledged and conveyed or assigned, or (b) any materials and supplies or construction materials, or (c) any tools or machinery not constituting fixtures, or (d) any marine equipment, buses, trucks and automobiles or airplanes; but, upon the happening of any Event of Default, all such rents, issues, tolls, profits or other income, materials and supplies, construction materials, tools, ma-

achinery, marine equipment, buses, trucks, automobiles and airplanes which but for this paragraph would be subject to the lien hereof shall immediately become subject to the lien hereof to the extent permitted by law.

EXCEPTED PROPERTIES.

Anything hereinabove contained to the contrary notwithstanding, the Company excepts and reserves, out of the grants hereby made, the following:

(1) the last day of the term of each leasehold estate (oral or written, or any agreement therefor) subject to the lien of this Indenture and now or hereafter enjoyed by the Company;

(2) all Air Rights, provided that the use of such Air Rights does not unreasonably interfere with or adversely affect the use for railroad purposes of the surface of the earth beneath such Air Rights;

(3) all timber and all minerals, including coal, oil, gas, sulphur and other minerals, whether similar to the minerals herein specifically mentioned and whether now known to exist or hereafter discovered, and any right, title or interest of any character whatsoever in said timber and minerals upon, under or in any of the property at any time subject to the lien of this Indenture, and all structures, equipment and facilities used or provided in connection therewith, together with the right herein reserved in the Company of ingress and egress over, on or upon any of the property subject to the lien of this Indenture at any and all times for the purposes of developing, exploring for, drilling, mining, removing or processing said timber and minerals, subject to the limitation that the use of the property subject to the lien of this Indenture for railroad purposes may not be interfered with or adversely affected; *provided, however*, that this exception and reservation shall not apply to any such property, or any such structures, equipment and facilities, or any such rights of ingress and egress, which shall have been Bonded otherwise than pursuant to the last sentence of the definition of Bonded in Section 1.01 hereof; and

(4) all certificates of public convenience and necessity and similar certificates and franchises for motor carrier operations and for water carrier operations, and all vehicles, boats, barges and other equipment, machinery, tools, implements, materials and supplies used in connection therewith.

TO HAVE AND TO HOLD the premises, railroads, railroad property and appurtenances, rights, privileges, franchises, estates, leaseholds, securities, and other property (hereinafter sometimes termed collectively the "trust estate") hereby conveyed, or which may be conveyed or assigned by indentures supplemental hereto, unto the Trustees, their successor or successors in trust and their assigns, forever;

SUBJECT, HOWEVER, (a) as to the properties (whether now owned or hereafter acquired) embraced therein or affected thereby to the Great Northern Mortgage, the Northern Pacific Prior Lien Mortgage, the Northern Pacific General Lien Mortgage, the Northern Pacific Refunding and Improvement Mortgage, the St. Paul and Duluth First, Second and First Consolidated Mortgages, the St. Paul-Duluth Division Mortgage and the Stillwater and St. Paul Mortgage to the extent that the liens thereof respectively attach, and (b) to Excepted Encumbrances and, in respect of existing Equipment, to Equipment Agreements now in effect or hereafter executed in accordance with the provisions hereof and, in respect of property or Equipment acquired after the date of this Indenture, to liens thereon permitted by the provisions hereof.

BUT IN TRUST NEVERTHELESS for the equal and proportionate benefit and security of all of the present and future holders of the Bonds and of any coupons appurtenant thereto, and for the enforcement of the payment of the principal of the Bonds and the premium, if any, and interest thereon, as and 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 any Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that each and every Bond shall have the same right, lien and privilege under this Indenture, and the principal of, premium, if any, and interest payable on every such Bond shall be equally and ratably secured hereby, as if all such Bonds at any time outstanding had been executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture.

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds, with the coupons for interest thereon, are to be issued, authenti-

ceded and delivered, and that the trust estate is to be held and disposed of by the Trustees, upon and subject to the covenants, conditions, uses and trusts hereinafter set out.

ARTICLE ONE.

DEFINITIONS, FORM, EXECUTION AND REGISTRY OF BONDS.

SECTION 1.01. The terms defined in this Section 1.01, whenever used in this Indenture, shall, unless the context shall otherwise require, have the respective meanings hereinafter in this Section 1.01 specified.

"Accounting Rules" means the Interstate Commerce Commission's Uniform System of Accounts for Railroad Companies, as in effect at the time in question, or the accounting rules of any other Federal authority having jurisdiction over the accounts of railroad companies, or, to the extent not determined thereby or in case there be no such accounting rules of the Interstate Commerce Commission or other Federal authority in effect at such time and applicable to railroad companies, generally accepted accounting principles.

"Affiliate" means any person or corporation directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, the terms "control", "controlling" and "controlled" meaning or referring to the right to vote a majority of the outstanding shares of capital stock having the right to elect a majority of the board of directors of the corporation in question.

"Air Rights" means any estate or interest in space above the surface of the earth, together with any estate or interest in the surface or subsurface below such space which is conveyed with such space for the purpose of providing support for, or access to, or any other right necessary in connection with, any structure or structures within such space or to be constructed within such space.

"Board of Directors" means the Board of Directors of the Company as from time to time constituted, and if there shall be an Executive Committee of the Company, such Executive Committee.

"Bondable Additions" means property constructed or acquired, and additions, betterments or extensions to existing property made, by Bondable Expenditures.

"Bondable Expenditures" means

(1) all amounts properly chargeable after the date of this Indenture under the Accounting Rules to Capital Accounts of the Company numbered 731, 732 (but only to the extent of amounts chargeable thereto in respect of that portion of the Company's line of railroad extending from Butte to Garrison, Montana, operated under lease) and 737, other than

(a) amounts in respect of Equipment unless includible in Capital Account 57 (sub-account of Capital Account 731),

(b) amounts in respect of property owned by Chicago, Burlington & Quincy Railroad Company immediately prior to its merger into the Company, and

(c) amounts in respect of property not subject to the lien of this Indenture; and

(2) the amounts of all expenditures by the Company after the date of this Indenture for the acquisition of Common Stock of a corporation which is a Pledged Subsidiary at the time such expenditures are Bonded, provided that such Common Stock

(a) shall either be outstanding in the hands of the public immediately prior to such acquisition or shall be Common Stock of a corporation organized by the Company or by a Pledged Subsidiary, or

(b) prior to its acquisition by the Company shall have been acquired after the date of this Indenture by an Affiliate and prior to such acquisition by the Affiliate shall have been outstanding in the hands of the public, but only to the extent of cost of acquisition to the Affiliate or to the Company, whichever is less,

and provided further that in each such case the Common Stock acquired by such expenditures is free of all liens other than Excepted Encumbrances;

provided, however, that whether the Accounting Rules at the time in effect so provide or not,

(i) donations and grants in connection with the construction or acquisition of property the cost of which is properly chargeable to

Capital Accounts 731, 732 or 737 shall be excluded from subparagraph (1) hereof; and

(ii) if the Company shall after the date of this Indenture acquire any property, amounts in respect of which are includible in subparagraph (1) hereof, which is subject to Prior Liens, the aggregate principal amount of the Prior Lien Securities secured thereby (but not including Present Prior Lien Securities, and not including other Prior Lien Securities secured by Prior Liens which were Prior Liens before such acquisition on any part of the property subject to the lien of this Indenture), existing at the time of such acquisition, whether or not assumed by the Company, shall be included in subparagraph (1) hereof; but if such Prior Liens constitute a lien on other property as well as on Bondable Additions there shall be included in subparagraph (1) hereof only that proportion of such Prior Lien Securities which equals the ratio of the fair value of the Bondable Additions subject to such lien to the fair value of all property subject to such lien, as determined by the Board of Directors;

and provided further that the amounts includible in subparagraph (1) hereof shall be appropriately adjusted by the debits or credits, as the case may be, required to be made in Capital Account 731.

The word "Bonded", when used with reference to

(1) property, securities (other than Prior Lien Securities or securities acquired in substitution therefor), Bonds and Bondable Expenditures, shall mean that such property, securities, Bonds or Bondable Expenditures have been made the basis by the Company for

- (a) the authentication and delivery of any Bonds, or
- (b) the release of any property from the lien of this Indenture or of any Prior Lien, or
- (c) the withdrawal, payment or application of any Deposited Cash or any cash deposited with the trustee or mortgagee of any Prior Lien Indenture under any provision thereof, or the application of any cash proceeds pursuant to the provisions of Sections 5.06 or 5.07 hereof, or that such property or securities have been acquired through, or that such Bondable Expenditures have resulted from, an exchange, replacement or substitution of property or securities under any provision of Article Five hereof, or through the surrender or other use, under the provisions of Sections 6.04, 6.05 or 6.07 hereof, of securities theretofore Bonded; and

(2) Prior Lien Securities, or any securities acquired in substitution therefor, shall mean that such Securities, or any securities acquired in substitution therefor, have been made the basis by the Company for

(a) the authentication and delivery of any Bonds, or

(b) the withdrawal, payment or application of any Deposited Cash;

provided, however, that Prior Lien Securities included in Bondable Expenditures pursuant to the definition of Bondable Expenditures shall not be deemed to be Bonded because of such inclusion until Bonds have been issued or Deposited Cash withdrawn in respect thereof pursuant to Section 2.05 hereof.

All of the property subject to the lien of this Indenture which was owned by the Company on the date of this Indenture, and all of the property of Chicago, Burlington & Quincy Railroad Company which becomes subject to the lien of this Indenture on the date such Railroad Company is merged into the Company, shall for all purposes of this Indenture be deemed to be Bonded.

The terms "bondholder", "holder of Bonds", or other similar terms, mean any person who shall at the time be the bearer of any coupon Bond which shall not at the time be registered as to principal or the registered holder of any registered Bond without coupons or of any coupon Bond which shall at the time be registered as to principal.

"Bonds" means bonds authenticated and delivered under this Indenture.

The words "Bond", "bondholder", "holder" and "owner" shall include the plural as well as the singular number.

"Burlington Mortgage" means the First and Refunding Mortgage, dated February 1, 1921, between Chicago, Burlington & Quincy Railroad Company and The First National Bank of the City of New York (now First National City Bank) and Frazier L. Ford (replaced by Jacob M. Ford II), as Trustees, as heretofore and hereafter supplemented and amended.

The term "Capital Account", whenever used in this Indenture with reference to a designated number, means the account set out in the Interstate Commerce Commission's Uniform System of Ac-

counts for Railroad Companies at the date of this Indenture bearing the designated number, or any account which shall serve substantially the present function of said account maintained by the Company in accordance with the Accounting Rules.

"Capital Deductions" means:

(1) The sum of

(a) depreciation accrued on a straight line basis after the date of this Indenture on Bondable Additions which are made by Bondable Expenditures within subparagraph (1) of the definition of Bondable Expenditures herein,

(b) the amounts credited after the date of this Indenture to the Company's Capital Accounts 731, 732 (to the extent permitted in subparagraph (1) of the definition of Bondable Expenditures herein) and 737 by reason of the retirement of such Bondable Additions, but only to the extent of the undepreciated balance thereof as of the date of retirement and excluding (1) retirements referred to in (c) hereof and (2) retirements of other property not replaced,

(c) the estimated net salvage value of such Bondable Additions retired following abandonment of operation thereof pursuant to Interstate Commerce Commission authority, and

(d) all credits made after the date of this Indenture to the accounts to which were charged Bondable Expenditures for the acquisition of Common Stock, with respect to such Common Stock;

less

(2) The sum of

(e) cash paid, and the principal amount of purchase money, conditional sale or similar obligations delivered, to the Corporate Trustee in connection with the release of any such Common Stock or any property retired, the retirement of which gives rise to a Capital Deduction, and

(f) the fair value of any property subject to the lien of this Indenture acquired in exchange for any such Common Stock or any such property retired.

"Certified Resolution" means a resolution of the Board of Directors certified by the Secretary or an Assistant Secretary of the Company under its corporate seal to have been duly adopted at a

meeting of the Board of Directors at which a quorum was present and acting throughout and to remain in full force and effect at the date of such certification.

"Common Stock" means stock of any class of any corporation having general voting power for the election of directors, other than stock with a preference as to, or a fixed limit on, dividends or a preference as to, or a fixed limit on, the amount payable thereon in the event of any voluntary or involuntary liquidation, dissolution or winding up of such corporation.

"Company" means Burlington Northern Inc. and any successor to it which shall have complied with the provisions of Article Twelve hereof.

"Corporate Trustee" means Morgan Guaranty Trust Company of New York or any corporation which shall be its successor as Trustee hereunder, and "individual Trustee" means Jacob M. Ford II or any individual or individuals who shall be his successor or successors as Trustee hereunder.

"Date of this Indenture" means March 2, 1970.

"Deposited Cash" means all cash at any time held by the Corporate Trustee as part of the trust estate, other than moneys held in any sinking or analogous fund or for the payment of the principal of, or premium, if any, or interest on, any Bonds and other than moneys to which the Company is entitled pursuant to the provisions of Sections 6.03 or 10.02 hereof.

"Equipment" means all property classified as equipment under the Accounting Rules.

"Equipment Agreement" means any equipment trust agreement and lease or any conditional sale agreement or any lease or any chattel mortgage pertaining to Equipment.

"Events of Default" means the events enumerated in Section 7.01 hereof, continued for the period of time, if any, therein designated.

"Excepted Encumbrances" means, as of any particular time, any of the following:

(1) liens for taxes, assessments or governmental charges not then delinquent; liens for workmen's compensation awards and similar obligations not then delinquent; liens or encumbrances in connection with litigation against the Company concerning claims for personal injuries or damages to property arising out of the operation of its business if entitled to priority over the lien of this Indenture by operation of law; other liens not exceeding \$500,000 in the aggregate arising out of litigation against the Company; liens for the payment or discharge of which provisions satisfactory to the Corporate Trustee have been made; mechanics', laborers', materialmen's and similar liens not then delinquent; any liens of the character referred to in this subparagraph (1), irrespective of amount, whether or not delinquent, the validity of which is being contested at the time by the Company in good faith by appropriate proceedings; and undetermined liens or charges incidental to construction and not at the time due;

(2) liens securing indebtedness neither payable nor assumed nor guaranteed by the Company, nor on which it customarily pays interest, on property with respect to which the Company owns easements or rights of way;

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

(4) any obligation or duty affecting the trust estate, or the uses, removal, control or regulation thereof by any public authority, under any franchise, grant, license or permit or provision of law;

(5) rights of lessees under leases from the Company, and interests of others than the Company in property owned jointly or in common; and

(6) easements, rights of way, exceptions, reservations, restrictions, conditions, limitations, covenants, adverse rights or interests and any other defects or irregularities in title affecting the trust estate which do not materially affect the use of the trust estate for the purposes for which it is held by the Company.

"Great Northern Mortgage" means the General Gold Bond Mortgage, dated January 1, 1921, between Great Northern Railway

Company and The First National Bank of the City of New York (now First National City Bank), Trustee, as heretofore and hereafter supplemented and amended.

"Indenture" means this Indenture, as the same may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to any of the provisions hereof.

All references to the "Interstate Commerce Commission" shall mean that commission or any Federal governmental authority which shall at the time exercise powers in regard to railroads now exercised by the Interstate Commerce Commission.

"Net Bondable Expenditures" means Bondable Expenditures made in any specified period less Capital Deductions in such period.

"Northern Pacific Collateral Trust Indenture" means the Collateral Trust Indenture, dated October 1, 1954, between Northern Pacific Railway Company and The First National Bank of the City of New York (now First National City Bank), Trustee, as heretofore and hereafter supplemented and amended.

"Northern Pacific General Lien Mortgage" means the General Lien Mortgage, dated November 10, 1896, between Northern Pacific Railway Company and The Farmers' Loan and Trust Company (now First National City Bank), Trustee, as heretofore and hereafter supplemented and amended.

"Northern Pacific Prior Lien Mortgage" means the Prior Lien Mortgage, dated November 10, 1896, between Northern Pacific Railway Company and The Mercantile Trust Company (now Bankers Trust Company), Trustee, as heretofore and hereafter supplemented and amended.

"Northern Pacific Refunding and Improvement Mortgage" means the Refunding and Improvement Mortgage, dated July 1, 1914, between Northern Pacific Railway Company and Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York), Trustee, as heretofore and hereafter supplemented and amended.

"Officers' Certificate" means a certificate signed (a) by the Chairman of the Board, the President or a Vice President of the Company and (b) by the chief finance officer, chief accounting officer, comptroller or treasurer of the Company, or by the chief

engineer of the Company, or by an assistant comptroller or assistant treasurer of the Company, and dated not more than thirty days prior to the date when such certificate is filed with the Corporate Trustee.

"Opinion of Counsel" means a written opinion of counsel satisfactory to the Corporate Trustee, who may be counsel for the Company.

The term "outstanding", when used at any given time with respect to Bonds, means all Bonds theretofore authenticated and delivered hereunder, except (a) Bonds which have been reacquired by the Company and are held in its treasury, (b) Bonds which have been paid or redeemed or purchased and cancelled under the provisions of this Indenture, (c) Bonds upon a transfer of which or in exchange or substitution for which, or in lieu of which, other Bonds have been authenticated and delivered, and (d) Bonds for the payment or redemption of which moneys have been deposited in trust with the Corporate Trustee, if the amount so deposited is sufficient to pay the principal of such Bonds and all accrued unpaid interest thereon to their maturity, or if such Bonds have been duly called for redemption, or arrangements for such call satisfactory to the Corporate Trustee have been made, and the amount so deposited is sufficient to pay the redemption price of such Bonds together with accrued interest to the date fixed for redemption.

"Paying Agent" means any corporation, partnership, or other person appointed or designated by the Company to pay the principal of, premium, if any, or interest on, any of the Bonds.

"Pledged Subsidiary" means any corporation, more than 50% of the Common Stock of which and more than 50% of all capital stock of which having general voting power for the election of directors is owned by the Company and all of the capital stock of which owned by the Company is subject to the lien of this Indenture.

"Present Prior Lien Indenture" means any of the following: the Great Northern Mortgage, the Northern Pacific Prior Lien Mortgage, the Northern Pacific General Lien Mortgage, the St. Paul and Duluth First Mortgage, the St. Paul and Duluth Second Mortgage, the St. Paul and Duluth First Consolidated Mortgage, the St. Paul-Duluth Division Mortgage, the Stillwater and St.

Paul Mortgage, and, after the merger of Chicago, Burlington & Quincy Railroad Company into the Company, the Burlington Mortgage.

"Present Prior Lien Securities" means all indebtedness secured by any Present Prior Lien Indenture.

The term "principal office of the Corporate Trustee" means the office of the Corporate Trustee at which the principal office of its corporate trust department is at the time located.

"Prior Lien" means any mortgage or other lien (other than an Excepted Encumbrance or an Equipment Agreement) constituting a charge on property subject to the lien of this Indenture prior to the lien of this Indenture.

"Prior Lien Indenture" means any Present Prior Lien Indenture or any other mortgage or other instrument creating a Prior Lien.

"Prior Lien Securities" means all Present Prior Lien Securities and all other indebtedness secured by any Prior Lien.

"Qualified Newspaper" means a newspaper printed in the English language and customarily published on each business day in each calendar week and of general circulation in the Borough of Manhattan, City and State of New York.

"Receiver" means a receiver or receivers of all or a substantial part of the property of the Company appointed in an action in a court of competent jurisdiction or a trustee or trustees appointed in reorganization proceedings under Section 77 of the Bankruptcy Act or any other official or officials having power similar to those of such a receiver or trustee and having possession of or title to (or both) all or a substantial part of the property of the Company.

The term "refunded securities" means the refunded Bonds, refunded Prior Lien Securities, or any securities substituted for such Prior Lien Securities, to be Bonded.

The term "refunding", when applied to Bonds or Prior Lien Securities, includes paying, redeeming, exchanging (whether, in the case of Bonds, for outstanding Bonds or for Bonds in the treasury of the Company), acquiring or retiring the same (before, at or after the maturity thereof) or reimbursing the Company for

expenditures made at any time after the date of this Indenture for any of those purposes, provided that the term "refunding" shall not include any exchange of Bonds or Prior Lien Securities, as the case may be, under any of the provisions of Article One hereof or analogous provisions of any Prior Lien Indenture.

"Registry Books" or other equivalent term means the books kept by the corporation or other person maintaining the office or offices or agency or agencies selected by the Company, as provided in Section 4.01 hereof, where Bonds may be registered.

"Request" means a written request for the action therein specified, duly executed on behalf of the Company by the Chairman of the Board or the President or any Vice President of the Company.

"St. Paul and Duluth First Consolidated Mortgage" means the First Consolidated Mortgage, dated June 1, 1898, between Saint Paul and Duluth Railroad Company and Guaranty Trust Company of New York, as Trustee (of which Manufacturers Hanover Trust Company is now Successor Trustee), as heretofore and hereafter supplemented and amended.

"St. Paul and Duluth First Mortgage" means the First Mortgage, dated July 1, 1881, between St. Paul and Duluth Railroad Company and Central Hanover Bank & Trust Company, as Trustee (of which Manufacturers Hanover Trust Company is now Successor Trustee), as heretofore and hereafter supplemented and amended.

"St. Paul and Duluth Second Mortgage" means the Second Mortgage, dated August 3, 1887, between St. Paul and Duluth Railroad Company and Central Hanover Bank & Trust Company, as Trustee (of which Manufacturers Hanover Trust Company is now Successor Trustee), as heretofore and hereafter supplemented and amended.

"St. Paul-Duluth Division Mortgage" means the St. Paul-Duluth Division Mortgage, dated June 15, 1900, between Northern Pacific Railway Company and Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York), Trustee, as heretofore and hereafter supplemented and amended.

"Stillwater and St. Paul Mortgage" means the Stillwater and St. Paul Mortgage, dated November 1, 1870, between Stillwater and St. Paul Railroad Company and Samuel M. Felton and William G. Moorhead, as Trustees (of which Morgan Guaranty

Trust Company of New York is now Successor Trustee), as heretofore and hereafter supplemented and amended.

All references herein to "securities" shall, unless the context shall otherwise require, include bonds, notes and other evidences of indebtedness, secured or unsecured, and stock.

"Trustees" means the trustees herein named or any successor or successors to them as trustees hereunder.

SECTION 1.02. The Bonds of Series A shall be designated as the Company's Consolidated Mortgage 4% Bonds, Series A, Due 1984. The Bonds of Series A shall be substantially as recited in the preambles to this Indenture.

Bonds of any other series shall be designated as from time to time authorized by the Board of Directors. The Bonds of any other series and the Corporate Trustee's certificate of authentication thereon are to be substantially in the forms herein provided for Bonds of Series A, with such additions and changes if any, as shall be necessary to reflect any differences in or provisions for dates, dates of maturity, interest payment dates, denominations, interest rates, redemption and sinking fund provisions, provisions as to conversion, place or places and money or moneys of payment, and registration and such other variations as may be determined by the Board of Directors and are not inconsistent with this Indenture.

All Bonds of the same series shall be identical in form, except that Bonds of a series may be of different denominations and (except for the Bonds of Series A) of different maturities (and if of different maturities, may differ with respect to interest rate and redemption price or prices) and except that as between coupon Bonds and registered Bonds without coupons there may be such differences as may be appropriate.

The coupon Bonds of each series shall bear such date as shall be fixed and determined by the Board of Directors at the time of the creation of such series and shall bear interest from the date thereof. Registered Bonds without coupons shall be dated the date of authentication and shall bear interest from the latest interest payment date to which interest has been paid preceding the date of authentication unless such date of authentication be an interest payment date to which interest has been paid, in which case they shall bear interest from such date of authentication, provided that

registered Bonds authenticated prior to the first interest payment date on a series shall bear interest from the date of the coupon Bonds of such series.

Section 1.03. The Bonds of Series A shall

(1) be dated (except as otherwise provided in respect of registered Bonds) March 2, 1970;

(2) mature on October 1, 1984;

(3) bear interest from October 1, 1969 at the rate of 4% per annum payable semi-annually on April 1 and October 1 of each year until payment of the principal amount thereof;

(4) be payable as to principal, premium, if any, and interest at the office or agency of the Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts;

(5) be redeemable before maturity as a whole at any time as provided in Article Three hereof;

(6) be issuable as coupon Bonds with the privilege of registration as to principal in denominations of \$1,000 and as registered Bonds without coupons in denominations of \$1,000 and any multiple thereof, the coupon Bonds and the registered Bonds without coupons and the several denominations of registered Bonds without coupons being interchangeable in like aggregate principal amounts; and

(7) be limited (except as provided in Section 1.09 hereof) in aggregate principal amount to \$58,500,000.

Section 1.04. No Bond or coupon appertaining thereto shall be valid or obligatory for any purpose or be secured by this Indenture, or be entitled to any right or benefit hereunder, unless and until a certificate of authentication shall have been executed upon such Bond by the Corporate Trustee as provided herein.

Any such authentication of a Bond by the Corporate Trustee shall be conclusive evidence that such Bond is a valid obligation of the Company, that all coupons appertaining thereto have been validly issued, and that the holder of such Bond is entitled to the benefits of the trust hereby created and all rights under this Indenture equally and proportionately with all other present and future holders of Bonds so authenticated.

Section 1.05. All Bonds shall be executed on behalf of the Company by the manual or facsimile signature of its Chairman of the

Board or its President or one of its Vice Presidents, and shall have its corporate seal or a facsimile thereof thereunto affixed or imprinted thereon and attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries, and shall be delivered to the Corporate Trustee for authentication by it; and thereupon, as provided in this Indenture and not otherwise, the Corporate Trustee, upon receipt of a Request of the Company therefor, shall authenticate such Bonds and shall deliver the same to the Company or otherwise as may be specified in such Request.

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

The coupons to be attached to coupon Bonds shall bear the facsimile signature of the present or any future Treasurer of the Company, and the Company may adopt and use for that purpose the facsimile signature of any person who may have been Treasurer notwithstanding the fact that he may have ceased to be Treasurer at the time when such Bonds shall be actually authenticated or delivered.

The Corporate Trustee shall not authenticate or deliver any coupon Bonds, except coupon Bonds issued pursuant to Section 1.09 hereof in lieu of mutilated, destroyed, lost or stolen Bonds, unless all appurtenant coupons which shall represent interest which has been duly paid or provided for on outstanding Bonds of the same series shall have been detached and cancelled.

Bonds may be authenticated and delivered hereunder in advance of the registration, filing or recording of this Indenture or of any indenture supplemental hereto providing for the creation of any series of Bonds.

SECTION 1.06. Bonds of any series may be issued originally either as coupon Bonds or as registered Bonds without coupons, and the

coupon Bonds and registered Bonds without coupons of the same series may be made interchangeable in like aggregate principal amount (in the case of any or all denominations) or not as determined by the Board of Directors in authorizing the issue of any series. Any of the Bonds may have imprinted thereon any legend or legends required in order to comply with any indenture supplemental hereto or with any law or with any rules or regulations of any governmental body or agency made pursuant thereto, or with the rules and regulations of any stock exchange, or to conform to general usage, and the Board of Directors, by resolution, may amend any legend on Bonds then outstanding so as to comply with any such law, rule or regulation, or so as to conform to such usage.

SECTION 1.07. The Company covenants to make, in the manner hereinafter provided in this Section 1.07, at the office or agency of the Company to be maintained for that purpose in accordance with the provisions of Section 4.01 hereof, exchanges and transfers of Bonds to which the right of such exchange or transfer attaches under the provisions of this Indenture or of the supplemental indenture providing for the creation of the series of Bonds of which such Bonds are a part.

Whenever any Bond or Bonds, whether coupon or registered without coupons, to which such right of exchange attaches, shall be surrendered for exchange or, in the case of registered Bonds without coupons, for transfer, the Company shall execute, and the Corporate Trustee shall authenticate and deliver in exchange therefor, as may be requested, a coupon Bond or Bonds or a registered Bond or Bonds without coupons of the same series in the same aggregate principal amount and of the authorized denominations which may be requested, provided that any registered Bond or Bonds so surrendered for transfer shall be accompanied by a written instrument of transfer in form approved by the Company, executed by the registered holder in person or by duly authorized attorney.

All coupon Bonds surrendered for exchange shall bear all appurtenant coupons except coupons payable prior to such exchange and not in default. In every case of transfer or exchange of Bonds the surrendered Bond or Bonds, together with any appurtenant coupons, shall be cancelled.

Each Bond delivered pursuant to the exercise of any privilege of transfer or exchange or in substitution for the whole or any part

of one or more other Bonds shall carry all of the rights to interest accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Bonds, and such Bonds, if registered Bonds without coupons, shall be so dated, or, if coupon Bonds, shall have attached thereto such coupons that neither gain nor loss in interest shall result from transfer or exchange or substitution.

Upon presentation for registration of any coupon Bond registrable as to principal at the office or agency of the Company to be maintained for that purpose, 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 endorsed to bearer, whereupon transferability by delivery shall be restored. Coupon Bonds registrable as to principal shall continue to be subject to successive registrations and discharges from registration, at the option of the holders.

For any exchange or any transfer of Bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other tax or governmental charge, and a further sum in addition thereto in the amount of two dollars, or such other amount as may be customary at the time, for each new Bond issued. Except as above provided, no charge shall be made to the holder of any Bond for any registration, transfer or discharge from registration of such Bond.

If one or more of the Events of Default shall have happened and be continuing, the Corporate Trustee shall nevertheless authenticate and deliver Bonds for the purpose of making the exchanges and transfers provided for in this Section 1.07.

SECTION 1.08. The coupon Bonds shall pass by delivery unless registered as to principal in the manner provided in Section 1.07 hereof. Registration of any coupon Bond registrable as to principal shall not affect the transferability by delivery of the coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery. The Company and the Trustees may

deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal, and the bearer of any coupon for interest on any coupon Bond, whether or not such Bond shall be registered as to principal, and the person in whose name any Bonds shall be registered, whether such Bonds are with or without coupons, as the absolute owner thereof, notwithstanding any notice to the contrary, and payment to such person shall discharge the liability of the Company on such Bonds or coupons to the extent of the sums paid, notwithstanding any such notice as aforesaid.

As to all registered Bonds without coupons, the Company may prescribe a period not exceeding 10 days prior to any interest payment date during which no transfer of such Bonds may be made on the Registry Books.

SECTION 1.69. In case any temporary or definitive Bond shall become mutilated or be lost, stolen or destroyed, 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 Request the Corporate Trustee shall authenticate and deliver, a new Bond (with coupons corresponding to the coupons, if any, appertaining to the mutilated, lost, stolen or destroyed Bond), bearing a number not contemporaneously outstanding, in exchange and substitution for the Bond and its coupons (if any) so mutilated or in lieu of and in substitution for the Bond and its coupons (if any), so lost, stolen or destroyed. In case any coupon appertaining to any temporary or definitive Bond shall become mutilated or be lost, stolen or destroyed, 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 Corporate 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 lost, stolen or destroyed), 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 Corporate Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of loss, theft or destruction, the applicant shall also furnish to the Company and to the

Corporate Trustee evidence to their satisfaction of the loss, theft or destruction of such Bond (or such coupon or coupons) and of the ownership thereof. The Corporate Trustee shall authenticate any such substituted Bond and deliver the same with the appurtenant coupons (if any) upon Request. Upon the issuance of any substituted Bond, the Company and the Corporate Trustee, respectively, may require the payment of all expenses and charges, including counsel fees, in connection with the preparation and issuance thereof and may require compliance with such other reasonable regulations as the Company or the Corporate Trustee may prescribe. In case any Bond or any coupon which has matured or is about to mature shall become mutilated or be lost, stolen or destroyed, 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 and the Corporate Trustee with such security or indemnity as they may require to save them harmless and, in case of loss, theft or destruction, evidence to the satisfaction of the Company and the Corporate Trustee of the loss, theft or destruction of such Bond or coupon and of the ownership thereof.

Every substituted Bond issued pursuant to the provisions of this Section 1.09 by virtue of the fact that any Bond or any coupon is lost, stolen or destroyed shall constitute an additional contractual obligation of the Company, whether or not the lost, stolen or destroyed 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, lost, stolen or destroyed 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 1.10. Pending the preparation of the definitive Bonds of any series, the Company may execute and, upon Request, the

Corporate Trustee shall authenticate and deliver temporary Bonds in any denomination substantially of the tenor of the definitive Bonds in lieu of which they are issued, in bearer or registered form, with or without coupons, and with such insertions, omissions, substitutions and variations as may be appropriate.

Such temporary Bonds shall be exchangeable, without charge to the holder, for the definitive Bonds in lieu of which they are issued, and, upon surrender and cancellation of such temporary Bonds, the Company shall execute and the Corporate Trustee shall authenticate and deliver in exchange therefor definitive Bonds of the same series for the same aggregate principal amount as the temporary Bonds surrendered. Until so exchanged the temporary Bonds shall be entitled to the same lien and security of this Indenture in all respects as the definitive Bonds in lieu of which they are issued.

ARTICLE TWO.

ISSUE OF BONDS; DEPOSITED CASH.

SECTION 2.01. Bonds of Series A shall be issuable as provided in Section 2.03 hereof and Bonds of any other series shall be issuable to the extent and for the purposes provided in Sections 2.04, 2.05, 2.06, 2.07 and 2.08 hereof, and Deposited Cash shall be applied to the extent and for the purposes provided in Section 2.09 hereof and (with the exception of Deposited Cash deposited pursuant to the provisions of Section 2.07 hereof) Section 5.09 hereof, provided that no Bonds may be authenticated and delivered under any provision of this Article Two or Deposited Cash applied if an Event of Default shall have happened and be continuing.

SECTION 2.02. Whenever requesting the authentication and delivery of Bonds under any provision of this Article Two the Company shall file with the Corporate Trustee

(1) a Certified Resolution authorizing the authentication and delivery of a specified principal amount of Bonds, of a specified series, and stating the Section of this Article Two pursuant to which such Bonds are to be authenticated and delivered and authorizing the execution and delivery of the supplemental indenture, if any, hereinafter provided for;

(2) if such Bonds are to be of a series other than Bonds of Series A and not previously authorized, a supplemental indenture creating the proposed series, specifying, as provided in Section 1.02 hereof, the particular provisions of the Bonds of such series, and specifying the principal amount of Bonds then to be authenticated and delivered, which supplemental indenture the Trustees agree to enter into if in conformity with the provisions of this Indenture;

(3) a Request for the authentication and delivery of a specified principal amount of Bonds, of the series designated in such Certified Resolution;

(4) a copy, authenticated in a manner satisfactory to the Corporate Trustee, of any orders or certificates of any commission or other governmental authority authorizing the issuance, or authentication and delivery, of such Bonds;

(5) an opinion of Counsel stating that:

(a) no authorization by any commission or governmental authority is required by law for the issuance, or authentication and delivery, of such Bonds except such authorization as shall be evidenced by the copies of the orders or certificates delivered to the Corporate Trustee pursuant to subparagraph (4) of this Section 2.02;

(b) in all other respects the issuance, or authentication and delivery, of such Bonds is authorized by law, and by the terms of this Indenture;

(c) the issuance, or authentication and delivery, of such Bonds has been duly authorized by all requisite corporate action on the part of the Company;

(d) the instruments delivered to the Corporate Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Corporate Trustee to authenticate and deliver such Bonds;

(e) such Bonds when issued will constitute valid and binding obligations of the Company and will be secured by this Indenture;

(f) all necessary stamp taxes or other governmental charges in respect of the original issue of such Bonds have been paid;

and

(6) an Officers' Certificate stating that no Event of Default has happened and is continuing.

SECTION 2.03. From time to time after the execution of this Indenture, upon delivery to the Corporate Trustee of the documents specified in Section 2.02 hereof, not exceeding \$58,500,000 principal amount of Bonds of Series A shall be authenticated and delivered by the Corporate Trustee.

SECTION 2.04. From time to time after execution of this Indenture, upon delivery to the Corporate Trustee of the documents specified in Section 2.02 hereof and upon compliance with the provisions of this Section 2.04, (a) not exceeding \$361,849,723 principal amount of Bonds of any series shall be authenticated and delivered by the Corporate Trustee, and (b) after the satisfaction and discharge of the Northern Pacific Collateral Trust Indenture and cancellation of all Bonds of Series A, not exceeding an additional \$70,000,000 principal amount of Bonds of any series shall be authenticated and delivered by the Corporate Trustee.

Whenever the Company shall apply for the authentication and delivery of Bonds pursuant to clause (a) of the first paragraph of this Section 2.04, the Company, unless the Great Northern Mortgage has been satisfied and discharged (in which event the Company shall file with the Corporate Trustee a certificate of the trustee of the Great Northern Mortgage evidencing such satisfaction and discharge), shall deliver to and pledge with the Corporate Trustee a principal amount of bonds issued pursuant to the Great Northern Mortgage not less than the principal amount of the Bonds the authentication and delivery of which is requested and having a maturity no earlier than the latest maturity of any other bonds then issued and outstanding under the Great Northern Mortgage; *provided, however*, that such bonds need be delivered only to the extent that (i) the Great Northern Mortgage would then permit such issuance and (ii) the issuance and pledge thereof have been authorized by the Interstate Commerce Commission (which authorization the Company covenants to use its best efforts to obtain); and provided further that the principal amount of bonds issued pursuant to the Great Northern Mortgage to be delivered to the Corporate Trustee pursuant to this Section 2.04 shall in no event exceed \$206,815,283. The Company shall also deliver to the Corporate Trustee an Opinion of Counsel to the effect that

(1) the bonds so delivered have been duly and validly issued and constitute valid and binding obligations of the Company according to their terms and are secured by the Great Northern Mortgage;

(2) such bonds upon delivery to the Corporate Trustee will be duly and validly pledged under this Indenture; and

(3) the principal amount and the maturity of such bonds are as required by the provisions of the next preceding sentence hereof.

Whenever the Company shall apply for the authentication and delivery of Bonds pursuant to clause (b) of the first paragraph of this Section 2.04, the Company shall cause to be delivered to the Corporate Trustee all Bonds of Series A not theretofore cancelled and a certificate of the trustee of the Northern Pacific Collateral Trust Indenture evidencing the satisfaction and discharge of said indenture.

Section 2.05. From time to time after the execution of this Indenture, upon compliance with the provisions of this Section 2.05, Bonds of any series shall be authenticated and delivered by the Corporate Trustee for the purpose of refunding an equal principal amount of Prior Lien Securities which shall not previously have been Bonded.

Whenever the Company shall apply for the authentication and delivery of Bonds for such purpose, or in lieu thereof for the payment of Deposited Cash pursuant to the provisions of Section 2.09 hereof, the Company shall deliver to the Corporate Trustee the documents specified in Section 2.10 hereof and

(1) the Prior Lien Securities to be refunded in a principal amount not less than the aggregate principal amount of the Bonds authentication and delivery of which is requested, or not less than the amount of Deposited Cash payment of which is requested, provided such Prior Lien Securities are pre-cancelled and, in the Opinion of Counsel, validly issued and outstanding; or if in the Opinion of Counsel the conditions specified in this subparagraph (1) cannot be complied with, then

(2) evidence satisfactory to the Corporate Trustee (a) of the cancellation of such Prior Lien Securities or (b) of the pledge of such Prior Lien Securities under any Prior Lien Indenture

which are required by the terms of such Prior Lien Indenture to be pledged thereunder.

In the event in the Opinion of Counsel the conditions specified in subparagraph (1) hereof cannot be complied with but by reason of the refunding of such Prior Lien Securities to be refunded the Company is permitted to issue and deliver to the Corporate Trustee bonds or obligations under the Prior Lien Indenture securing such Prior Lien Securities or under any other Prior Lien Indenture (whether as a result of the pledge of such Prior Lien Securities to be refunded or otherwise), the Company covenants that it will cause such bonds or obligations up to an aggregate principal amount equal to the principal amount of the Prior Lien Securities to be refunded to be issued and delivered to the Corporate Trustee. Notwithstanding anything to the contrary contained in this Section 2.05, the issue and pledge of Prior Lien Securities or other bonds or obligations herein provided for shall be required only to the extent authorized by the Interstate Commerce Commission (which authorization the Company covenants to use its best efforts to obtain).

All securities deposited with the Corporate Trustee pursuant to this Section 2.05 shall be held by the Corporate Trustee as pledged securities hereunder.

Section 2.06. From time to time after the execution of this Indenture, upon compliance with the provisions of this Section 2.06, Bonds of any series shall be authenticated and delivered by the Corporate Trustee in an aggregate principal amount not exceeding 75% of Net Bondable Expenditures, less the principal amount of Prior Lien Securities taken into account in determining the amount of such Bondable Expenditures pursuant to the definition of Bondable Expenditures herein, whether or not such Prior Lien Securities shall theretofore have been Bonded; *provided, however*, that no Bonds shall be authenticated and delivered on the basis of Bondable Expenditures to the extent theretofore Bonded.

Whenever the Company shall apply for the authentication and delivery of Bonds for such purpose, or in lieu thereof for the payment of Deposited Cash pursuant to the provisions of Section 2.09

hereof, the Company shall deliver to the Corporate Trustee the documents specified in Section 2.11 hereof.

All Common Stock acquired, in respect of which Bonds are authenticated and delivered pursuant to this Section 2.06, shall be delivered to the Corporate Trustee prior to or simultaneously with the authentication and delivery of such Bonds and shall be held by the Corporate Trustee as pledged securities hereunder.

SECTION 2.07. From time to time after the execution of this Indenture, upon delivery to the Corporate Trustee of the documents specified in Section 2.02 hereof, and upon deposit by the Company with the Corporate Trustee of cash in an amount equal to the aggregate principal amount of the Bonds to be authenticated and delivered pursuant to this Section 2.07, Bonds of any series shall be authenticated and delivered by the Corporate Trustee in a principal amount equal to the amount of cash so deposited. Until paid over, as hereinafter in Section 2.09 hereof provided, any cash so deposited with the Corporate Trustee shall be held by it as Deposited Cash.

SECTION 2.08. From time to time after the execution of this Indenture, upon compliance with the provisions of this Section 2.08, Bonds of any series shall be authenticated and delivered by the Corporate Trustee for the purpose of refunding an equal principal amount of Bonds of any series theretofore authenticated and delivered hereunder (other than Bonds of Series A), which at any time shall have been surrendered to the Corporate Trustee, as hereinafter in this Section 2.08 provided, and whether cancelled or uncanceled.

Whenever the Company shall apply for the authentication and delivery of Bonds for such purpose, the Company shall deliver to the Corporate Trustee:

- (1) the documents specified in Section 2.02 hereof;
- (2) an Officers' Certificate describing the Bonds the surrender of which forms the basis of the Request, and stating that such Bonds have not theretofore been Bonded and that none of such Bonds has been acquired or retired through operation of any sinking or analogous fund or purchased pursuant to subparagraph (2) of Section 5.09 hereof; and

(3) unless theretofore delivered to the Corporate Trustee, said Bonds together with all unmatured coupons, if any, appertaining thereto.

Whenever the Company shall, pursuant to the provisions of Section 2.09 hereof, apply for the payment of Deposited Cash in lieu of Bonds issuable pursuant to this Section 2.08, the Company shall deliver to the Corporate Trustee:

(1) a Request for the payment of a specified amount of Deposited Cash for the purposes therein specified;

(2) the Officers' Certificate and Bonds required by subparagraphs (2) and (3) of the last preceding paragraph of this Section 2.08 relating to the Bonds in respect to the refunding of which the payment of Deposited Cash is requested;

(3) an Opinion of Counsel stating that the instruments delivered to the Corporate Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Corporate Trustee to pay such Deposited Cash; and

(4) an Officers' Certificate stating that no Event of Default has happened and is continuing.

Any uncanceled Bonds surrendered to the Corporate Trustee pursuant to the provisions of this Section 2.08 or of Section 2.09 hereof shall be cancelled by the Corporate Trustee.

Section 2.09. Deposited Cash deposited with the Corporate Trustee pursuant to Section 2.07 hereof or held by the Corporate Trustee pursuant to any other provision of this Indenture shall from time to time be paid over to the Company in lieu of a like principal amount of Bonds which might otherwise be authenticated and delivered for purposes specified in Sections 2.05, 2.06 or 2.08 hereof, upon compliance by the Company with the provisions of said Sections 2.05, 2.06 or 2.08, as the case may be.

Upon or at any time after any deposit of Deposited Cash with the Corporate Trustee, and in lieu of the application thereof in accordance with the immediately preceding paragraph, the Company may file with the Corporate Trustee a Request that a specified amount of such Deposited Cash, and such additional amount of cash deposited with the Corporate Trustee with such Request as may be required to pay the premium, if any, and accrued interest hereinafter referred to in this sentence, be held for the purpose

of paying (a) the principal amount of specified Prior Lien Securities or specified Bonds and accrued interest thereon to the date of maturity of such principal or (b) the redemption price (including premium, if any, and accrued interest) of specified Prior Lien Securities or specified Bonds. Upon the filing of any such Request and documents in respect of such Prior Lien Securities complying with the requirements of subparagraphs (2), (3) and (4) of the second paragraph of Section 2.10 hereof or documents in respect of such Bonds complying with the requirements of subparagraphs (2), (3) and (4) of the third paragraph of Section 2.08 hereof, and, in the case of redemption, stating that all required notice of redemption has been given and setting forth the details thereof, and the form of the notice of redemption as so given, or stating what provision has been made for the giving of such notice, the amount of Deposited Cash and such additional cash therein specified shall be

- (1) set aside and held in trust by the Corporate Trustee, or
- (2) deposited in trust with a trustee of the Prior Lien Indenture which secures such Prior Lien Securities, or

(3) deposited in trust with a trustee under any mortgage or other instrument constituting a lien junior to the lien of the Prior Lien Indenture which secures such Prior Lien Securities, for the payment or redemption of the Prior Lien Securities or Bonds specified in such Request; *provided, however,* that all procedures to be followed in connection with any such payment or redemption shall be satisfactory to the Corporate Trustee. Any such moneys set aside for the payment or redemption of particular Prior Lien Securities or particular Bonds shall be applied from time to time to the payment or redemption thereof upon surrender thereof to the Corporate Trustee or the trustee with which such moneys have been deposited, as the case may be.

All Deposited Cash other than Deposited Cash deposited pursuant to the provisions of Section 2.07 hereof may also be disposed of as provided in Section 5.09 hereof.

Section 2.10. Whenever the Company shall apply for the authentication and delivery of Bonds pursuant to Section 2.05 hereof, the Company shall deliver to the Corporate Trustee:

- (1) the documents specified in Section 2.02 hereof;
- (2) an Officers' Certificate describing the Prior Lien Securities to be refunded and stating

(a) that such Prior Lien Securities have been or are to be refunded, have not been Bonded and have not been acquired or retired through operation of any sinking or analogous fund; and

(b) that there have been or will be delivered to the Corporate Trustee the securities (which shall be described in said Certificate) or instruments (which shall be described in said Certificate) and Opinion of Counsel specified in the second paragraph of Section 2.05 hereof, and such evidence and other information as shall be necessary to show compliance with the conditions and limitations of Section 2.05 hereof;

and

- (3) an Opinion of Counsel that any refunded securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are or, prior to payment or acquisition were, Prior Lien Securities as herein defined, or are substituted securities as described in the second paragraph of Section 2.05 hereof.

Whenever the Company shall apply for the payment of Deposited Cash for any purpose specified in Section 2.05 hereof, the Company shall deliver to the Corporate Trustee

- (1) a Request for the payment of a specified amount of Deposited Cash for the purposes therein specified;

(2) the documents required by subparagraphs (2) and (3) of the last preceding paragraph of this Section 2.10, relating to the Prior Lien Securities in respect of the refunding of which the payment of Deposited Cash is requested;

(3) an Opinion of Counsel stating that the instruments delivered to the Corporate Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Corporate Trustee to pay such Deposited Cash; and

(4) an Officers' Certificate stating that no Event of Default has happened and is continuing.

SECTION 2.11. Whenever the Company shall apply for the authentication and delivery of Bonds for any purpose specified in Section 2.06 hereof, the Company shall deliver to the Corporate Trustee

- (1) the documents specified in Section 2.02 hereof;
- (2) an Officers' Certificate substantially to the effect required by the form set out in (a) of this subparagraph (2) and in accordance with the requirements stated in (b) of this subparagraph (2):

(a) *Form of Officers' Certificate.*

OFFICERS' CERTIFICATE

under

Section 2.11 of the Consolidated Mortgage

Dated , 19

The undersigned hereby certify:

1. Total Bondable Expenditures shown as item 3 in the last Officers' Certificate (dated) heretofore filed under Section 2.11 (hereinafter called the "Last Certificate") \$.....
 2. Bondable Expenditures from the close of the period covered in item 1 through \$.....
- Add Item 1 to Item 2, Thus Obtaining:*
3. Total Bondable Expenditures since the date of this Indenture \$......
 4. Capital Deductions shown as item 6 in the Last Certificate \$......
 5. Capital Deductions from the close of the period covered in item 4 through \$......
- Add Item 4 to Item 5, Thus Obtaining:*
6. Aggregate Capital Deductions since the date of this Indenture \$......

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Deduct Item 6 from Item 3, Leaving:

7. The Net Bondable Expenditures since the date of this Indenture \$.....
8. The aggregate of (x) 133 $\frac{1}{3}$ % of the principal amount of Bonds issued pursuant to Section 2.06, (y) 133 $\frac{1}{3}$ % of the amount of Deposited Cash paid over to the Company pursuant to Section 2.09 in lieu of the issuance of Bonds pursuant to Section 2.06, and (z) 100% of the portion of item 7 previously Bonded other than in accordance with Section 2.06 and other than in accordance with Section 2.09 in lieu of the issuance of Bonds pursuant to Section 2.06, ... \$.....

Deduct Item 8 from Item 7, Leaving:

9. Balance of Net Bondable Expenditures at the time of the filing of this Certificate \$.....
10. 75% of Balance of Net Bondable Expenditures (item 9) \$.....
11. Any Prior Lien Securities included in total Bondable Expenditures (item 3) pursuant to the definition of Bondable Expenditures (including without limitation any such Prior Lien Securities theretofore Bonded) \$.....

Deduct Item 11 from Item 10, Leaving:

12. Balance \$.....
13. The aggregate principal amount of Bonds the authentication and delivery of which is now being requested under Section 2.06 \$.....
14. The aggregate amount of Deposited Cash the withdrawal of which is now being requested for purposes specified in Section 2.06 \$.....

Add Item 13 to Item 14, Thus Obtaining:

15. Total requested herewith \$.....

Deduct Item 15 from Item 12, Leaving:

16. Balance, if any, not now being Bonded \$.....

(b) *Requirements for Officers' Certificate.*

(i) items 2 and 5 of the first Officers' Certificate filed under this Section 2.11 shall cover a period beginning the date of this Indenture and ending the date therein stated;

(ii) there shall be included in any Officers' Certificate filed under this Section 2.11 all Bondable Expenditures made during the period covered thereby for Bondable Additions subject to Prior Liens, but there need not be included therein any other Bondable Expenditures during the period covered thereby; *provided, however*, that any Bondable Expenditures not so included, unless it is stated in an Officers' Certificate delivered to the Corporate Trustee that such exclusion was inadvertent, may not be included in any subsequent Officers' Certificate so filed; *provided further*, that Bondable Expenditures for the acquisition of Common Stock of a corporation within clause (2) of the definition of Bondable Expenditures herein shall not be deemed to have been made until such time as such corporation becomes a Pledged Subsidiary;

(iii) the date stated in items 2 and 5 shall be not earlier than six months before the date of the Officers' Certificate and the Officers' Certificate shall either state that there has been no significant increase in Capital Deductions since that date or shall deduct the amount thereof before reaching the Net Bondable Expenditures stated in item 7;

(iv) the Bondable Expenditures shown in item 2 of the Officers' Certificate shall be shown in an exhibit or exhibits thereto setting out the amounts charged to each of the sub-accounts making up the Capital Accounts, and stating whether the Bondable Additions made by such Bondable Expenditures were paid for in cash, by delivery of property or securities or by acquisition subject to Prior Liens, and if any Prior Liens are referred to in such exhibit or exhibits, the character and amount of the Prior Lien Securities secured by such Prior Liens shall be stated;

(v) the Officers' Certificate shall state whether the Bondable Expenditures shown in item 2 of the Officers' Certificate include expenditures for the acquisition of Common Stock of any corporation, and, if such expenditures are included, the Officers' Certificate shall (w) briefly describe the property owned by such corporation, (x) describe the outstanding se-

curities of such corporation, (y) state which thereof will be owned by the Company after such acquisition, (z) state that such corporation is a Pledged Subsidiary and show compliance with the requirements of subparagraph (2) of the definition of Bondable Expenditures in Section 1.01 hereof;

(vi) the Officers' Certificate shall state whether any of the total Bondable Expenditures stated in item 3 thereof are in respect of Bondable Additions that will thereafter secure any Prior Liens, and, if any of such total Bondable Expenditures are in respect of any such Bondable Additions, shall state, or incorporate by reference to an Officers' Certificate theretofore filed hereunder, the character and amounts of the Prior Lien Securities secured by such Prior Liens; and

(vii) the Capital Deductions shown in item 5 of the Officers' Certificate shall be summarized in an exhibit or exhibits to the Officers' Certificate;

(3) an Opinion of Counsel stating, with reference to the Bondable Expenditures shown in such Officers' Certificate,

(a) as to any Bondable Expenditures certified to have been made for Bondable Additions, that the Company has title to such Bondable Additions and that they are (or, upon the taking of the action by the Corporate Trustee applied for under this Section 2.11, will become) subject to the lien of this Indenture, as a lien thereon subject only to Excepted Encumbrances and to the Prior Liens, if any, specified in the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2);

(b) that no conveyances, declarations or instruments of further assurance are necessary for the purpose of subjecting to the lien of this Indenture any such Bondable Additions, except such, if any, as may be delivered to the Corporate Trustee with such Opinion for such purpose and, if any conveyances, declarations or instruments of further assurance be delivered to the Corporate Trustee with such Opinion, that the same accomplish such purpose; and

(c) as to Bondable Expenditures for the acquisition of Common Stock of a corporation, that such corporation is a Pledged Subsidiary and that the Common Stock so acquired is validly outstanding and fully paid and non-assessable and

is free of all liens other than Excepted Encumbrances and the lien of this Indenture;

and

(4) any Common Stock required to be delivered to the Corporate Trustee by Section 2.06 hereof.

Whenever the Company shall apply for the payment of Deposited Cash for any purpose specified in Section 2.06 hereof, unless such application is made pursuant to the provisions of Section 5.09 hereof, the Company shall deliver to the Corporate Trustee:

(1) a Request for the payment of a specified amount of Deposited Cash for the purposes therein specified;

(2) the documents required by subparagraphs (2) and (3) of the preceding paragraph of this Section 2.11 and the Common Stock required by subparagraph (4) of said paragraph;

(3) an Opinion of Counsel stating that the documents delivered to the Corporate Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Corporate Trustee to pay such Deposited Cash; and

(4) an Officers' Certificate stating that no Event of Default has happened and is continuing.

ARTICLE THREE.

REDEMPTION OF BONDS.

SECTION 3.01. The Bonds of Series A shall be redeemable in whole at any time, upon notice given as provided in Section 3.04 hereof, at the option of the Company, at the following redemption prices (expressed in percentages of the principal amount) together with accrued interest to the date fixed for redemption: to and including July 1, 1970, 101%; and thereafter, 100%.

SECTION 3.02. The redemption provisions, if any, of any series of Bonds other than Bonds of Series A shall be prescribed by the Board of Directors prior to the issue thereof, as provided in Section 1.02 hereof, and set out in an indenture supplemental hereto executed pursuant to Article Thirteen hereof.

The provisions of Section 3.03 to 3.08, inclusive, hereof shall, so far as applicable, apply to the redemption of Bonds of Series A and also to the redemption of Bonds of any other series, except to the extent that different redemption provisions may be prescribed for any such other series in any such supplemental indenture.

SECTION 3.03. Whenever less than all of the Bonds of any series are to be redeemed, the Corporate Trustee shall draw by lot, in any manner deemed by the Corporate Trustee to be fair, the distinguishing numbers of a principal amount of Bonds or portions of Bonds of such series equal to the principal amount of Bonds of such series to be redeemed and shall notify the Company in writing of the numbers and principal amounts of the Bonds or portions thereof so drawn. The Company shall give the Corporate Trustee, with respect to any series of Bonds which is to be redeemed, reasonable written notice of the aggregate principal amount of Bonds to be redeemed.

During a period of 10 days next preceding any drawing by lot of Bonds to be redeemed (a) the Company shall not be required to and, if the Corporate Trustee shall so request, shall not, make transfers or exchanges of Bonds of the series being redeemed and (b) the Corporate Trustee shall not be required to authenticate and deliver Bonds of the series being redeemed.

SECTION 3.04. Notice of the redemption of Bonds shall be given by the Company either by publication thereof three times, the first publication to be not less than 30 days nor more than 90 days prior to the date designated for redemption, in a Qualified Newspaper or, if all Bonds then to be redeemed are registered, by mailing notice thereof not less than 30 nor more than 90 days prior to such date, to the registered holders of Bonds so to be redeemed at their respective addresses as they shall appear in the Registry Books. The notice shall identify the series and, if less than all of the Bonds of such series are to be redeemed, the numbers of the Bonds to be redeemed and further shall state the redemption price thereof, shall state that interest on such Bonds will cease to accrue on and after the date designated for redemption therein specified, and shall direct that the Bonds specified in the notice be presented for

payment in the Borough of Manhattan, City and State of New York, at the office or agency of the Company designated in the notice. In the case of Bonds which are to be redeemed in part only, the notice shall specify the portions of such Bonds to be redeemed and shall state that, upon presentation of such Bonds, new Bonds of the same series, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of such Bonds, will be issued.

The Company agrees also to cause a copy of any such published notice to be mailed, not later than the date specified above for the first publication of the notice, to the holders of registered Bonds (including coupon Bonds registered as to principal) called for redemption in whole or in part at their last address appearing in the Registry Books, but a failure to mail such notice shall not affect the validity of any proceedings for redemption.

SECTION 3.05. Upon completion of the publication of any notice of redemption or upon the mailing thereof as provided in Section 3.04 hereof, the Bonds and portions thereof specified in such notice shall become due and payable as provided therein, and on and after the date designated for redemption interest shall cease to accrue on any Bond or portion of a Bond so called for redemption unless such Bond or portion of a Bond be not paid on presentation thereof as provided in the notice, in which event the same shall continue to bear interest as provided therein until provision shall be made for the payment thereof.

SECTION 3.06. Coupon Bonds presented for redemption shall be accompanied by all coupons which were attached thereto at the time of issue, except coupons for the payment of which provision shall have been made by the Company on or prior to the redemption date.

Upon presentation of any Bond which is to be redeemed in part only, the Company shall execute and the Corporate Trustee shall authenticate and deliver to the holder thereof, without charge to such holder, a new Bond or Bonds, of the same series and of authorized denominations, for the unredeemed portion of the Bond so presented.

SECTION 3.07. If the Company shall deposit in trust with the Corporate Trustee the applicable redemption price (including accrued interest to the date fixed for redemption) of the Bonds and portions of Bonds specified in a notice of redemption, and shall furnish to the Corporate Trustee evidence satisfactory to the Corporate Trustee that such notice of redemption has been mailed or has been or will thereafter be published as herein provided, such Bonds and portions of Bonds shall not thereafter be deemed to be outstanding hereunder for any purpose except to entitle the holders thereof to convert the same not later than the date fixed for redemption thereof (as to Bonds carrying any conversion privilege) and except to receive payment of such redemption price, and all coupons appurtenant to such Bonds shall be void except coupons for the payment of which provision shall have been made by the Company on or prior to the date fixed for redemption.

SECTION 3.08. All Bonds redeemed under the provisions of this Article Three shall be cancelled by the Corporate Trustee, and all such Bonds paid by the Company or any Paying Agent shall be delivered to the Corporate Trustee for that purpose.

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 the premium, if any, and interest on, the Bonds, at the dates and place and in the manner prescribed herein and in the Bonds, with interest, to the extent permitted by law, on any overdue installments of interest at the respective rates borne by the Bonds on which such interest is in default. When and as paid, all Bonds, together with the coupons thereto appertaining, if any, shall be cancelled.

At all times until the payment of the principal of the Bonds, the Company will maintain an office or agency in the Borough of Manhattan, City and State of New York, where such of the Bonds and coupons as are payable there may be presented for payment and where such of the Bonds as are there registrable, transferable or exchangeable may be presented for registration, transfer or ex-

change and where notices and demands in respect of any and all Bonds and coupons may be served and made. In case any Bonds are made payable, registrable, transferable or exchangeable in any other city, the Company will also maintain, so long as any of such Bonds are outstanding, an office or agency in such other city where such Bonds and appurtenant coupons, if any, may be presented for payment or where such Bonds may be presented for registration, transfer or exchange and where notices and demands may be served and made. The Company will give notice to the Corporate Trustee of the location of any such agency or agencies and of any change of location thereof, and in case the Company shall fail to maintain any such office or agency or shall fail to give such notice, presentation and demand may be made and notices may be served and made at the principal office of the Corporate Trustee.

SECTION 4.02. All lines of railroad and appurtenances and other property of every kind which the Company has covenanted by this Indenture to convey or pledge or assign to the Trustees and all property at any time acquired by the Company and provided by this Indenture to become subject to this Indenture shall, immediately upon the acquisition thereof by the Company and without any further conveyance or assignment, become and be subject to the lien of this Indenture as fully and completely as though specifically described in the Granting Clauses hereof; but whenever required by the Corporate Trustee, the Company will grant, convey, confirm, assign, transfer and set over unto the Trustees the estate, right, title and interest of the Company in and to all real and personal property, estates, rights and franchises which the Company may hereafter acquire and which by the Granting Clauses or other provisions of this Indenture are subjected to the lien of this Indenture or intended so to be, and will, subject to the requirements of any Prior Lien Indenture, deliver to the Corporate Trustee all securities included in such property, and the Company will also do, execute, acknowledge and deliver, or it will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers, conveyances and assurances for the better assuring, conveying and confirming unto the Trustees all

and singular the trust estate hereby mortgaged or intended so to be, as the Corporate Trustee shall reasonably require for better accomplishing the purposes of this Indenture and for securing the payment of the principal of, and the premium, if any, and interest on, the Bonds.

The Company will deliver to the Corporate Trustee on or before the last day of June in each year after the year 1970 an Officers' Certificate setting forth in reasonable detail a description of each item of additional real and personal property having a cost (or fair value, if acquired otherwise than by purchase) in excess of \$250,000 acquired within the previous calendar year and which is subjected by the Granting Clauses or other provisions of this Indenture to the lien hereof or intended so to be (the first Certificate to cover the period from the date of this Indenture to the end of the year 1970) and an Opinion of Counsel stating either (a) that no supplemental indenture is necessary to subject to the lien of this Indenture the items of property set forth in such Officers' Certificate or (b) that a supplemental indenture is necessary for that purpose and that the supplemental indenture delivered to the Trustees with such Officers' Certificate and Opinion of Counsel is sufficient for that purpose and has been or is being recorded and filed in all jurisdictions necessary to protect the lien hereof on the property covered thereby.

In all cases in which, pursuant to the requirements of any Prior Lien Indenture, cash, securities, obligations or rights which would otherwise be required to be deposited with the Corporate Trustee are deposited with the trustee or mortgagee under such Prior Lien Indenture, the Company will forthwith, upon the discharge and cancellation of such Prior Lien Indenture (subject to the obligation of the Company, if any, to cause the same to be deposited under any other such Prior Lien Indenture), cause to be deposited with the Corporate Trustee any and all of such cash, securities, obligations or rights remaining at the time of such discharge and cancellation with the trustee or mortgagee of the Prior Lien Indenture so discharged and cancelled. The Company hereby authorizes and directs the trustee or mortgagee under each such Prior Lien Indenture, upon such discharge and cancellation thereof, to deposit

with the Corporate Trustee all such cash, securities, obligations or rights so remaining. The Company covenants to deliver an executed or certified copy of this Indenture to the trustee or mortgagee under each such Prior Lien Indenture and to furnish the Corporate Trustee with evidence of such delivery.

SECTION 4.03. The Company will make, or cause to be made, any and all payments required to be made under and by the terms of any Equipment Agreement or other instrument constituting a lien on or claim of ownership to Equipment in the possession of or used by the Company and will do or cause to be done all and every such further acts as may be necessary to assure to the Company the use of such Equipment and the ultimate acquisition of title thereto if such ultimate acquisition of title is contemplated by the Equipment Agreement or other instrument.

Nothing contained in this Section 4.03, and nothing in any other provision of this Indenture expressed or implied, is intended or shall be construed to limit the right or power of the Company, which is hereby expressly reserved, to extend the time of payment of the balance of the rental or other payments remaining to be paid under any such Equipment Agreement or other instrument or secured thereby or to refinance the same as provided in Section 5.14 hereof or to take any other action permitted by Article Five hereof.

SECTION 4.04. The Company will pay or cause to be paid the interest on all outstanding Prior Lien Securities, when and as the same shall become due and payable, and at or immediately after the maturity of such Prior Lien Securities will pay or acquire all such Prior Lien Securities and, subject to the provisions of Section 2.05 hereof, will cancel the same or will deposit the same with the Corporate Trustee or, pursuant to the requirements of any Prior Lien Indenture, with the trustee or mortgagee under such Prior Lien Indenture.

The Company hereby expressly reserves the right to extend the time of payment of the principal of or interest on any Prior Lien Securities, whether at the same or a lower or higher rate of interest.

SECTION 4.05. The Company will pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges, the lien of which would be prior to the lien hereof, lawfully imposed upon the trust estate or any part thereof or upon the income and profits thereof, and also will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the interest of the Trustees in the trust estate or the income or profits thereof, so that the lien and priority of this Indenture shall be preserved at the cost of the Company and without expense to the Trustees or the holders of the Bonds.

SECTION 4.06. The Company will pay and discharge all sums which it shall be obligated to pay under or by virtue of any lease or joint facility, terminal, trackage or other agreement held by it and subject to the lien of this Indenture.

SECTION 4.07. The Company will not create or suffer to be created any debt, lien or charge having priority or preference over or equality with the lien of this Indenture upon the trust estate or any part thereof or upon the income and profits thereof except (a) Prior Liens on any property hereafter acquired by the Company which may exist on the date of such acquisition, or theretofore existing Prior Liens which by their terms extend to property hereafter acquired by the Company upon the acquisition thereof, (b) vendor's liens or purchase money mortgages on property hereafter acquired by the Company created concurrently with the acquisition of such property and not covering any other property theretofore or thereafter owned by the Company and subject to the lien of this Indenture, (c) Equipment Agreements, (d) liens on property subject to any Prior Lien referred to in clause (a) of this Section 4.07, vendor's liens or purchase money mortgages (and on no other property then owned by the Company and subject to the lien of this Indenture) created to renew, extend or refund obligations secured by the Prior Lien, vendor's lien or purchase money mortgage to which such property was theretofore subject, (e) Excepted Encumbrances and (f) any lien or other charge permitted under Granting Clause TWELFTH hereof, and except that Prior Lien Securities may be issued for immediate pledge hereunder or for immediate pledge under a Prior Lien Indenture. Within six months

after the same shall accrue the Company will pay, or cause to be discharged, or make adequate provision for the satisfaction and discharge of, all lawful claims and demands of suppliers, mechanics, laborers and others which if unpaid might by law be given precedence over this Indenture as a lien or charge upon the trust estate or a part thereof, or on the income and profits thereof.

Nothing in this Indenture, expressed or implied, is intended or shall be construed to limit the right or power of the Company, which is hereby expressly reserved, to execute, or assume and perform the obligations of, any mortgage covering property not now owned by the Company, existing at the date of the acquisition of such property or created in connection with such acquisition and in connection therewith to obligate itself to subject to such mortgage, as a lien thereon prior to the lien of this Indenture to the extent required by the provisions of such mortgage, any Equipment, machinery, tools and other implements, or equity therein, acquired by the Company after the creation or assumption of such mortgage, and necessary or appropriate for use in connection with the operation of the lines of railroad or other property subject to such mortgage.

SECTION 4.08. The Company will not permit any Pledged Subsidiary to issue any securities if the result of such issuance would be that the corporation issuing such securities would cease to be a Pledged Subsidiary.

SECTION 4.09. No covenant in Sections 4.03, 4.04, 4.05, 4.06 or 4.07 hereof shall be construed to require the Company to make any payment so long as the Company shall contest in good faith the validity of the claim for such payment or the amount thereof, and in the judgment of the Company, expressed in an appropriate Officers' Certificate or Certified Resolution delivered to the Corporate Trustee, the failure to make such payment will not materially prejudice or jeopardize the interests of the holders of the Bonds.

If the Company shall fail to make any such payment when required to do so by the provisions hereof, the Corporate Trustee, without affecting any of its rights hereunder, from time to time in

its discretion may itself pay any sum so in default and thereupon shall have and forthwith may assert a lien for such advances, together with interest thereon, upon the trust estate and the proceeds thereof and the income and profits therefrom, which lien shall be entitled to priority in rank and payment from the trust estate, or the proceeds thereof or income and profits therefrom, over the Bonds and appurtenant coupons. The Corporate Trustee shall be under no obligation to make any such payment unless furnished in advance with the necessary funds.

SECTION 4.10. The Company, with all convenient speed, at its expense will duly record, register, file, re-record, re-register and refile this Indenture and every indenture supplemental hereto which hereafter may be executed as may be required by law in order to protect the lien hereof on the property covered hereby or by such supplemental indenture, and will furnish as promptly as practicable after the date of this Indenture and annually on or before the last day of June in each year thereafter to the Corporate Trustee an Opinion of Counsel that the Company has taken all action during the preceding calendar year (or, in the case of the first such Opinion of Counsel, during the period since the date of this Indenture) necessary to comply with the provisions of this Section 4.10.

SECTION 4.11. Subject to the provisions of Articles Five and Twelve hereof, to the extent needful and proper for the efficient and economical operation of its properties the Company will diligently maintain, preserve and keep all of its rights and franchises subject to the lien hereof and every part thereof, and will at all times maintain, preserve and keep its properties subject to the lien of this Indenture in good repair, working order and condition and will from time to time make all needful and proper repairs thereto and renewals and replacements thereof and will at all times keep the lines of railroad and appurtenant facilities subject to the lien hereof supplied with sufficient Equipment, machinery, tools and other supplies for the operation thereof.

SECTION 4.12. Except as otherwise provided herein, any moneys which at any time shall be deposited by the Company with the Corporate Trustee or with any other depository, including any office

or agency of the Company maintained pursuant to Section 4.01 hereof, for the purpose of paying the principal of, the premium, if any, or interest on, any of the Bonds, shall be and are hereby assigned, transferred and set over unto the Corporate Trustee, or such other depository, in trust for the respective holders of the Bonds or coupons or claims for interest, for the purpose of paying which said moneys shall have been deposited, and, in the event of the appointment of a Receiver, such Receiver shall have no right, title or interest in said moneys so deposited, or in any part thereof, except such thereof, if any, as may be payable to the Company pursuant to the provisions of Section 16.02 hereof.

SECTION 4.13. The Company will after the date of this Indenture take all requisite steps to effectuate as soon as practicable the merger of Chicago, Burlington & Quincy Railroad Company into the Company and contemporaneously with such merger will enter into an indenture supplemental hereto in the form of Exhibit D which is annexed hereto and made a part hereof.

ARTICLE FIVE.

RELEASES OF MORTGAGED PROPERTY.

SECTION 5.01. From time to time the Company may request release by the Trustees, and they shall release, from the lien of this Indenture any of the various kinds of property in this Article Five described and the Company may dispose of without release the various kinds of property in this Article Five described as so disposable, all on the conditions and subject to the limitations herein set forth.

Whenever requesting the release of any property pursuant to this Article Five, the Company shall, except as hereinafter in this Article Five specifically provided, deliver to the Corporate Trustee

(1) a Request for the release of the property described in the Officers' Certificate required by subparagraph (2) of this paragraph;

(2) an Officers' Certificate which shall:

(a) set forth a description of the property sought to be released;

(b) state such facts as shall be necessary to show that the release sought is authorized under the provisions and restrictions of this Article Five;

(c) set forth the selling price of the property sought to be released, if it is to be sold, or the fair value thereof to the Company if donated, or a description of any property to be received in exchange therefor and of any Prior Liens thereon, or, if the property sought to be released is to be otherwise disposed of, the benefits to be received by the Company or the resulting enhancement in value of the remainder of its property subject to the lien of this Indenture; and

(d) in the case of any release except by way of donation, state that the fair value to the Company of the property sought to be released is not greater than the price at which it is to be sold, or is not greater than the fair value to the Company of the property (including any cash) to be received in exchange therefor, as the case may be, after taking into account any cash paid by the Company pursuant to subparagraph (4) of this paragraph (the amount of which shall be specified), or, in the case of a disposition of property otherwise than by sale or exchange, is not greater than the benefits to be received by the Company or the resulting enhancement in value of the remainder of its property subject to the lien of this Indenture;

(3) an Opinion of Counsel stating that the action so requested is authorized by the provisions of this Article Five, that there are no Prior Liens on any property to be received in exchange for property to be released except those specified in the Officers' Certificate required by the foregoing subparagraph (2) and that the instruments furnished to the Corporate Trustee in connection with the action so requested are in compliance with the provisions of this Section 5.01, and where necessary or appropriate that no conveyances, declarations or instruments of further assurance are necessary for the purpose of subjecting such property to the lien of this Indenture (as a first lien thereon, subject only to such Prior Liens, if any, as may be specified in such Opinion of Counsel and to Excepted Encumbrances) except such conveyances, declarations or instruments of further assurance, if any, as may be delivered to the Corporate Trustee with such Opinion of Counsel for such purpose, and, if any conveyances, declarations or instruments of further assurance be delivered to the Corporate Trustee with such Opinion of Counsel, that the same accomplish such purpose; and

(4) subject to the requirements of any mortgage or other instrument constituting a Prior Lien on the property, the release of which is requested, if such property is to be sold, the consideration to be received therefor, together with, if the fair value to the Company of such property is greater than such consideration, an amount in cash equal to such excess, and if such property is to be exchanged, cash equal to the amount, if any, by which the fair value to the Company of the property, the release of which is requested, exceeds the fair value to the Company of the property to be received in exchange therefor, and if such property is to be donated, cash equal to the fair value thereof to the Company.

The Corporate Trustee, in its discretion, may require at the cost and expense of the Company, such further evidence as it shall deem reasonable.

SECTION 5.02. From time to time the Company, subject to the condition, authorizations and limitations prescribed in this Article Five, and not otherwise, may sell, exchange or donate, and the Trustees, upon compliance by the Company with the provisions of Section 5.01 hereof, and of this Section 5.02, shall release from the lien of this Indenture:

(1) any part of the lines of railroad subject to the lien of this Indenture, or any undivided interest in any such lines of railroad, or all or any part of any leasehold, easement, trackage right or other interest or undivided or part interest in lines of railroad which may be subject to the lien of this Indenture, if in the judgment of the officers of the Company executing the Officers' Certificate required under Section 5.01 hereof (a) it shall no longer be necessary or advantageous for the Company to retain the property to be released, and (b) either (i) the Company will not be prevented by such release from operating continuous lines of railroad between the principal points then served by it, or (ii) such release will not adversely affect to a material degree the security for the Bonds;

(2) any other real estate or other property, except cash or pledged securities, and any other rights or interests in property which, in the judgment of the officers of the Company executing the Officers' Certificate required under Section 5.01 hereof, it shall no longer be necessary or advantageous for the Company to retain for the operation, maintenance or use of the lines of railroad then subject to the lien of this Indenture, or for use in the business of the Company; or

(3) any pledged securities, if (d) in the judgment of the officers of the Company executing the Officers' Certificate required under Section 5.01 hereof it shall no longer be necessary or advantageous for the Company to retain the same and either (i) the Company will not by such release be prevented from operating continuous lines of railroad between the principal points then served by it or (ii) such release will not adversely affect to a material degree the security for the Bonds, (b) the pledged securities to be released are not bonds or obligations secured by lien prior to the lien of this Indenture on property directly subject to the lien hereof, and (c) in the event such pledged securities are securities of a Pledged Subsidiary, then either (i) the pledged securities to be released are not less than all of the securities of such Pledged Subsidiary at the time subject to the lien of this Indenture, or (ii) the pledged securities to be released are less than all of such securities of such Pledged Subsidiary, and either (x) the Pledged Subsidiary will remain a Pledged Subsidiary after disposition of the pledged securities to be released or (y) in the judgment of the officers of the Company executing the Officers' Certificate required under Section 5.01 hereof the disposition of less than all of the securities of such Pledged Subsidiary is desirable in connection with arrangements for ownership of the stock of such Pledged Subsidiary by the Company and one or more other corporations and will be beneficial to the trust estate.

In any case of the sale or exchange of property pursuant to the provisions of subparagraphs (1), (2) or (3) of this Section 5.02 the consideration, in the case of sale of property, or the property to be received in exchange, must consist of (a) cash or (b) obligations secured by purchase money mortgage on the property to be released or obligations under conditional sale or similar agreements with respect to the property to be released, in either case in an amount not exceeding 90% of the value of the aggregate consideration received, or (c) property of such character that, if the same had been purchased by the Company, it would have constituted a Bondable Addition, or (d) in case of any release of property in connection with any joint terminal or other joint facility, rights to use the property of such terminal or other joint facility, or (e) a combination of any of the foregoing.

Subject to the provisions of any mortgage or other instrument constituting a Prior Lien on any property so released, all cash

received for property so released, and all cash paid by the Company pursuant to subparagraph (4) of the second paragraph of Section 5.01 hereof, shall be paid over to or deposited with the Corporate Trustee to be held by it as Deposited Cash, and all obligations secured by a purchase money mortgage on the property to be released, and all obligations under conditional sale or similar agreements with respect to the property to be released, shall be delivered to the Corporate Trustee and shall be held by it as pledged securities hereunder (unless the Company shall pay to the Corporate Trustee, in cash, an amount equal to the principal amount of such purchase money, conditional sale or other obligations, in which event such cash shall be held by the Corporate Trustee as Deposited Cash and such purchase money, conditional sale or other obligations shall not become subject to the lien of this Indenture).

In case any part of the consideration delivered to the Corporate Trustee shall consist of obligations secured by a purchase money mortgage on the property to be released or obligations under conditional sale or similar agreements with respect to the property to be released, the Company shall deliver to the Corporate Trustee an Opinion of Counsel stating that such obligations are valid obligations, and (a), in the case of any obligation secured by a purchase money mortgage, that such mortgage affords a valid purchase money lien upon the property to be released, subject to no Prior Lien except any Prior Lien subject to which said property is to be sold, and that a valid assignment of such mortgage (unless it be a mortgage to a trustee) to the Trustee has been recorded, or (b), in the case of any obligation under a conditional sale or similar agreement, that a valid assignment of such agreement to the Trustee has been made and that such conditional sale or similar agreement and such assignment have been recorded to the extent necessary for the proper protection of the title of the Trustee to the property to be released.

In case any part of the consideration shall consist of property of the character specified in clause (c) of the second paragraph of this Section 5.02, the Company shall deliver to the Corporate Trustee an Officers' Certificate stating that such property has not theretofore been Bonded.

SECTION 5.03. The Trustees shall release upon Request from the lien of this Indenture any franchise or portion thereof which is to be or shall be surrendered and any trucks, structures and other property abandoned if such abandonment or surrender be made (a) pursuant to the authority of the Interstate Commerce Commission or (b) by virtue of an agreement with or action by the Federal government or any State, municipality, or other political division or subdivision of a State or any governmental agency or (c) in accordance with some other legal requirement or (d) as otherwise may be permissible under applicable law, upon compliance by the Company with the requirements of Section 5.01 hereof and upon receiving a certified copy of any order or agreement pursuant to which such abandonment or surrender is made.

If the Company shall not make a Request for such a release, it nevertheless shall deliver to the Corporate Trustee (a) an Officers' Certificate describing any property to be abandoned or any franchise or portion thereof to be surrendered, and (b) an Opinion of Counsel that such abandonment or surrender is of the type described in the foregoing paragraph of this Section 5.03, together with a certified copy of any requisite approval of the Interstate Commerce Commission or of any other order or agreement pursuant to which such abandonment or surrender is made.

The Company shall have full power, in its discretion and without notice to or action by the Trustees, to sell, donate, exchange for other property or otherwise dispose of, free from the lien of this Indenture, any property so abandoned, but any cash or other consideration received on the disposition thereof shall (subject to the requirements of any Prior Lien Indenture) be delivered to the Corporate Trustee.

SECTION 5.04. Should any of the trust estate be taken by exercise of the power of eminent domain or should any governmental body or agency exercise any right which it may have to purchase any part of the trust estate, the Trustees, without requiring compliance with any of the provisions of any of the other Sections of this Article Five, shall release the property so taken or purchased upon receipt by the Corporate Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such property has

been taken by exercise of the power of eminent domain or purchased by a governmental body or agency in the exercise of a right which it had to purchase the same, and in each case, subject to the provisions of any Prior Lien Indenture, upon receipt by the Corporate Trustee of any consideration received by the Company for the portion or portions of the trust estate so to be released or upon the making of arrangements satisfactory to the Corporate Trustee for the subsequent receipt by it of such consideration.

SECTION 5.05. The Company may at any time, provided that either the general integrity of, and continuity between principal points then served by, its lines will not be broken thereby or the security for the Bonds will not be adversely affected to a material degree thereby, make any change in location of its lines, tracks, station houses, buildings or other structures situated upon any part of the trust estate to other premises, or may move any machine tools, machinery or other fixtures to other premises, whether or not such other premises be subject to the lien of this Indenture; *provided, however*, that if such other premises are not subject to the lien of this Indenture the Company shall deliver to the Corporate Trustee, promptly after any such change in location, a conveyance to the Trustees subjecting to the lien of this Indenture (as a first lien thereon, subject only to such Prior Liens, if any, upon the old premises as may be specified in the Opinion of Counsel referred to below in this Section 5.05 and to Excepted Encumbrances) the new or relocated lines, tracks, station houses, buildings or other structures, and the property on which the same are situated, together with an Opinion of Counsel that such conveyance is effective for such purpose, and that such property is not subject to any Prior Liens, other than such Prior Liens upon the old premises as may be specified in such Opinion of Counsel.

SECTION 5.06. In addition to any dispositions made pursuant to the provisions of Section 5.07 hereof, the Company may from time to time sell, exchange or otherwise dispose of, free from the lien of this Indenture and without release by the Trustees, any property, other than cash and securities at any time subject to the lien hereof, which is not used, or, in the opinion of the Company, useful, for railroad purposes, not exceeding in any one calendar year a total of \$250,000 in value. The Company agrees that it will, within

a reasonable time thereafter, expend the net cash proceeds of any such sales or other dispositions to replace the property so sold or otherwise disposed of by other property (including improvements to property), not necessarily of the same character, which in its judgment is of at least equal value. All property resulting from such expenditures and all property received in exchange for property which was subject to the lien hereof shall forthwith become subject to the lien hereof.

The Trustees from time to time, upon receipt of a Request so to do and an Officers' Certificate specifying the property sold, exchanged or otherwise disposed of and the value thereof at the date of disposition, stating that it is not used or useful for railroad purposes of the Company and stating the value at such date of all property theretofore sold, exchanged or otherwise disposed of by the Company pursuant to this Section 5.06 within the calendar year in which such property was sold, exchanged or otherwise disposed of, shall execute and deliver confirmatory releases or certificates that such property is free from the lien of this Indenture.

SECTION 5.07. The Company shall have full power, in its discretion, without notice to, or action by, the Trustees, from time to time (a) to alter, remove, demolish or retire from service, otherwise than by sale or exchange, any building or structure or industry tracks or side tracks or yard tracks or other similar property in the trust estate which may have become unfit, obsolete, or undesirable for use or which it may deem necessary or advantageous to alter, remove, demolish or retire in connection with the maintenance or operation of or in the improvement of the trust estate, and (b) to sell or dispose of, free from the lien of this Indenture, any portion of the Equipment, machinery, tools, implements, materials, supplies and portable personal property at any time held subject to the lien hereof, which in the opinion of the Company may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous longer to retain for use upon the trust estate and to sell or dispose of, free from the lien of this Indenture, or use in the construction of new Equipment, machinery or apparatus, any scrap or other material accumulated from any above mentioned alteration, removal, demo-

lition or retirement or otherwise, and the Company agrees that it will replace the same with, or substitute therefor, other properties, not necessarily of the same character but having a value at least equal to the then value of the old property at the time of its disposition or, if it be sold, to the consideration therefor received by the Company, and such new property shall become subject to the lien of this Indenture.

SECTION 5.08. The Company shall have full power, in its discretion, without notice to, or action by, the Trustees, from time to time

(1) to make any lease of, or to grant trackage rights upon, or to grant easements for any purpose in respect of, any part of the trust estate or to amend or to enter into any contract affecting the same, subject to the prior lien of this Indenture; and

(2) to make amendments in, or substitutions for, or to cancel or surrender, any leases and any trackage, joint facility or other operating contracts or agreements, the rights of the Company under which are subject to this Indenture; *provided, however,* (a) that the Company is not thereby prevented (except to an extent which in the judgment of the Company will not adversely affect to a material degree the security for the Bonds) from maintaining and operating continuous lines of railroad between the principal points then served by it and (b) that any amended or supplemental lease or trackage, joint facility or other contract or agreement forthwith shall be subject to this Indenture in the same manner and to the same extent as that previously existing.

The Company shall have the right, with the written consent of the Trustees, to make any lease of, or to make any agreement granting trackage, joint facility or other operating rights upon or grant easements in respect of, any part of the trust estate, on such terms that the rights of the lessee under such lease or the person to whom such trackage, joint facility or other operating rights or such easement are granted shall be superior to the lien of this Indenture; *provided, however,* that no such lease or agreement shall be made unless the rent or other consideration to be received thereunder is fair and adequate in the circumstances. Any lease or agreement made pursuant to this paragraph may thereafter be amended or terminated with the written consent of the Trustees.

The Trustees shall give written consent (in form for recording, if requested by the Company) to any action to be taken by the Company pursuant to the next preceding paragraph upon receipt of

(1) a Request for such consent, accompanied by a copy of the proposed lease or agreement and the proposed form of consent;

(2) a Certified Resolution determining that in the opinion of the Board of Directors the action, consent to which is requested, will not adversely affect to a material degree the security for the Bonds;

(3) except when consent to the termination of a lease or agreement is requested, an Officers' Certificate stating that the rent or other consideration to be received by the Company thereunder, or under any amendment thereof then proposed, is fair and adequate in the circumstances and stating whether or not the value of the property to be leased or in respect of which such an agreement is to be made amounts to \$1,000,000 or more; and

(4) if the value of the property to be leased or in respect of which such an agreement is to be made amounts to \$1,000,000 or more, either (a) a certificate of an independent railroad analyst, engineer, or other expert, satisfactory to the Corporate Trustee, stating that the action, consent to which is requested, will not adversely affect to a material degree the security for the Bonds, in which event any consideration received by the Company in respect of any such lease or agreement (other than amounts in the nature of reimbursement of expense or loss and other than rent or other consideration payable on a periodic basis while no Event of Default shall have happened and be continuing, unless the Board of Directors voluntarily determines to pledge the same with the Corporate Trustee) shall, subject to the requirements of any mortgage or other instrument constituting a Prior Lien on the property affected, be pledged with the Corporate Trustee; or (b) an assignment (subject as stated in clause (a) above) by the Company pledging with the Corporate Trustee all rights to receive rent or other consideration, whether or not payable on a periodic basis and whether or not an Event of Default shall have happened and be continuing.

SECTION 5.09. All Deposited Cash, other than Cash deposited pursuant to the provisions of Section 2.07 hereof, in addition to being disposable to the extent provided in Section 2.09 hereof may be disposed of as provided in this Section 5.09.

If no Event of Default shall have happened and be continuing, all or any part of the Deposited Cash disposable under this Section 5.09 shall, upon receipt of a Request so to do and the Officers' Cer-

tificate referred to in the next paragraph, and without necessity for compliance with the provisions of Section 2.11 hereof,

(1) be paid by the Corporate Trustee to the Company to reimburse the Company for 100% of Bondable Expenditures made within 36 months preceding the date of such Request and not theretofore Bonded; or

(2) if so specified in such Request, (a) be paid into any sinking fund for any series of Bonds hereafter created if the terms of such sinking fund so permit, or (b) be applied by the Corporate Trustee from time to time to the purchase of Bonds, such purchases to be made in such manner as the Corporate Trustee may deem proper but at prices not in excess of those specified in such Request. The Corporate Trustee shall not purchase Bonds of any series at a price or prices (including accrued interest but not including brokerage charges) which exceed the applicable redemption price for Bonds of such series prevailing at the time for redemption and accrued interest to the date of purchase or, if the Bonds of such series are not redeemable, at a price or prices (including accrued interest but not including brokerage charges) which exceed the principal amount thereof and accrued interest to the date of purchase. Upon the purchase by the Corporate Trustee of any Bonds pursuant to this subparagraph (2), the Company shall pay to the Corporate Trustee accrued interest to the date of purchase on all Bonds so purchased, together with an amount by which the aggregate purchase price (excluding interest) paid by the Corporate Trustee exceeds the aggregate principal amount of the Bonds purchased.

Whenever requesting the application of moneys pursuant to subparagraph (1) of the second paragraph of this Section 5.09, the Company shall file with the Corporate Trustee the Request there provided for and an Officers' Certificate describing the Bondable Expenditures to be reimbursed and stating that none of such Bondable Expenditures has been Bonded. Such Officers' Certificate shall also state the amount of any Prior Lien Securities taken into account in determining the amount of such Bondable Expenditures pursuant to the definition of Bondable Expenditures herein, and the principal amount of such Prior Lien Securities shall be deducted from such Bondable Expenditures, whether or not such Prior Lien Securities shall theretofore have been Bonded.

Whenever in this Indenture provision is made for the deposit of cash with the Corporate Trustee which is subject to disposition

as provided in this Section 5.09, such cash need not be actually deposited and to the extent that the Company shall at the time furnish to the Corporate Trustee the documents provided for in the preceding paragraph to procure the release of such cash pursuant to this Section 5.09. In such event, however, such cash shall, for all purposes of this Indenture, be deemed to have been actually deposited with the Corporate Trustee and to have been paid by the Corporate Trustee to the Company pursuant to this Section 5.09.

SECTION 5.10. Any property or rights received by the Company (other than purchase money, conditional sale or similar obligations in lieu of which cash is deposited with the Corporate Trustee and other than cash not required to be deposited with the Corporate Trustee) in exchange, replacement or substitution for any property or rights released or otherwise freed under any provisions of this Article Five from the lien of this Indenture or which are made the basis of the withdrawal of moneys pursuant to Section 5.09 hereof shall be and become subject to the lien of this Indenture as fully as if specifically mortgaged hereby.

SECTION 5.11. The purchaser of any property released under the provisions of this Article Five shall not be required to see to the application of the consideration.

SECTION 5.12. In case the trust estate shall be in the possession of a Receiver, the powers conferred by this Article Five upon the Company may be exercised by such Receiver with the approval of the Trustees irrespective of the happening of any Event of Default. In any case of the exercise of said powers by a Receiver, such Receiver shall deliver to the Corporate Trustee, in lieu of any Certified Resolutions, Officers' Certificates and Opinions of Counsel required by any provision of this Article Five to be delivered to the Corporate Trustee by the Company, appropriate orders of court, certificates of such Receiver and Opinions of Counsel.

SECTION 5.13. Anything in this Article Five to the contrary notwithstanding, the Trustees may release property under any provision of this Article Five or take other action contemplated in this Article Five even though at the time an Event of Default shall have happened and be continuing, but, if an Event of Default shall

have happened and be continuing, the Trustees may, in their discretion, decline to release property or take such other action under any provisions of this Article Five. Nothing in this Section 5.13 shall limit or affect the provisions of Section 5.12 hereof.

SECTION 5.14. In order to permit the Company to refinance or refund any obligations outstanding under any Equipment Agreement, and for no other purpose, the Trustees shall execute an instrument subordinating to a new Equipment Agreement the lien of this Indenture on all such Equipment then subject to the lien hereof as the Company shall describe in the Certified Resolution hereinafter in this paragraph provided for; provided, however, that (a) the aggregate principal amount of the Company's obligations outstanding at the time under Equipment Agreements (exclusive of obligations then being issued in respect of the acquisition of additional Equipment) shall not be increased by such refinancing or refunding, and (b) the Company shall deliver to the Corporate Trustee a Certified Resolution requesting such subordination, together with an Officers' Certificate stating that such refinancing or refunding has been or is to be made upon terms which will effect a saving or advantage to the Company.

If under the provisions of any Equipment Agreement the Company shall be required to convey Equipment to replace Equipment thereunder which has been destroyed, retired or otherwise disposed of, the Company may so convey Equipment which is subject to the lien of this Indenture. Whenever requesting subordination of the lien of this Indenture on any Equipment so conveyed, the Company shall deliver to the Corporate Trustee a Certified Resolution requesting the subordination of the lien of this Indenture on such Equipment to such Equipment Agreement, together with an Officers' Certificate that the Company has no Equipment not subject to the lien of this Indenture which can be so conveyed in replacement; and upon receipt of such Certified Resolution and Officers' Certificate the Trustees shall execute an appropriate instrument of subordination.

If the Company shall subject to any Equipment Agreement any Equipment constructed or acquired by the Company or reconstructed by or for the Company after, or not more than three years prior to, the creation of such Equipment Agreement, and if such

Equipment Agreement is created for the purpose of providing for, or reimbursing, in whole or in part, the cost of the construction, acquisition or reconstruction of such Equipment, the Trustees shall execute an appropriate instrument subordinating the lien of this Indenture on such Equipment, including any materials used in the construction thereof, whether or not obtained from any Equipment formerly subject to the lien hereof, to the rights of the trustee under or holders of obligations secured by such Equipment Agreement upon delivery to the Corporate Trustee of a Request so to do and an Officers' Certificate describing such Equipment and stating such facts as may be necessary to show that the transaction complies with the conditions hereinabove in this paragraph stated.

In order to permit the Company to effect a sale and leaseback of any of its Equipment subject to the lien of this Indenture, the Trustees shall execute and deliver upon Request a release from the lien of this Indenture of such Equipment as the Company shall describe in the Officers' Certificate hereinafter in this paragraph provided for if (a) in the judgment of the Board of Directors as evidenced by a Certified Resolution delivered to the Corporate Trustee (i) such sale and leaseback is effected on terms which are of benefit to the Company and (ii) the release of such Equipment will not adversely affect to a material degree the security for the Bonds and (b) there shall also be delivered to the Corporate Trustee (i) an Officers' Certificate which shall set forth a description of the Equipment to be sold and leased back, the selling price of such Equipment and the fair value thereof to the Company, (ii) the cash proceeds received by the Company on such sale or cash equal to the fair value of the Equipment to the Company, whichever is greater, to be held as Deposited Cash. (iii) an assignment of the Company's interest in such lease and (iv) an Opinion of Counsel to the effect that the action requested is authorized by the provisions of this paragraph and that the assignment of interest in such lease is sufficient to subject the same to the lien of this Indenture.

SECTION 5.15. Whenever the Company shall have acquired all, or substantially all, of the property, both real and personal, of any corporation, capital stock of which is at the time pledged hereunder, and shall have subjected to the lien of this Indenture all

lines of railroad and appurtenances and other real property, all Equipment and all securities theretofore owned by such corporation, upon the Request of the Company and compliance with the provisions of Section 6.07 hereof the Trustees shall release from the lien of this Indenture any capital stock of such corporation which may then be held by them and the Corporate Trustee shall deliver to the Company the certificates for such stock properly assigned for transfer. In order to facilitate any such acquisition, the Corporate Trustee shall give to the Company, upon delivery of a Request therefor, all proxies, powers and releases which may be necessary or desirable to enable such capital stock to be voted, sold, applied or otherwise disposed of in effecting such acquisition by consolidation, merger or otherwise.

In any case in which the Company proposes to acquire a part only of the lines of railroad or other property of any corporation, a part of the capital stock of which (whether or not a majority of such capital stock) shall be subject to the lien of this Indenture, such capital stock, or any part thereof which may be required for such purpose, may be exchanged for such property, or may be applied in consummating the acquisition of such property, and the stock to be so exchanged or applied shall be released by the Trustees from the lien of this Indenture; *provided, however*, that in the opinion of an engineer the property acquired in lieu of the capital stock released shall be at least equal in fair market value to the fair market value of the released capital stock (in the case of property so valued at less than \$10,000, such engineer may be an engineer employed by the Company and, otherwise, shall be an independent engineer) and shall be forthwith subjected to the lien of this Indenture. The Company in any such case shall deliver to the Corporate Trustee an Opinion of Counsel to the effect that, upon the release of said stock, such property will become subject to the lien of this Indenture.

SECTION 5.16. The Trustees, upon receipt of a Request so to do, shall execute and deliver to the Company a quitclaim deed or disclaimer, or shall join with the Company in the execution and delivery of a quitclaim deed, relating solely to property or rights which are not at the time subject to the lien of this Indenture. The Company, when requesting any action under this Section 5.16, shall deliver to the Corporate Trustee:

(1) an Officers' Certificate which shall set forth a description of the property or rights a quitclaim of which or a disclaimer in respect of which is requested; and

(2) an Opinion of Counsel that such property or rights are not subject to the lien of this Indenture.

Such Officers' Certificate and Opinion of Counsel may be received by the Trustees as conclusive evidence of any of the facts or of the continuance of any condition, or of anything by this Section 5.16 required to be established or shown in order to authorize the action sought, and shall be full warrant to the Trustees for any action taken on the faith thereof. The Company shall not be required to deposit with the Corporate Trustee, or to account to the Corporate Trustee for, the consideration for any property or rights quitclaimed or disclaimed under the provisions of this Section 5.16.

SECTION 5.17. Anything in this Indenture to the contrary notwithstanding, upon Request, any property or securities specified in such Request as subject to the lien of this Indenture and therein stated to be subject also to the lien of one or more specified Present Prior Lien Indentures, shall be released by the Trustees from the lien hereof, if such Request shall be accompanied by a written statement of the trustee or trustees under each such Present Prior Lien Indenture certifying to the release of such property or securities from such Present Prior Lien Indenture otherwise than by reason of the satisfaction and discharge of such Present Prior Lien Indenture.

ARTICLE SIX.

PLEGGED SECURITIES.

SECTION 6.01. As used in this Article Six or in Article Five hereof the word "corporation" shall include any other similar legal entity; the word "bonds" shall include notes and other evidences of indebtedness (including purchase money mortgages and conditional sale and similar agreements), whether secured or unsecured; the words "stock" and "stock certificates" shall be construed to denote proprietary interests in a corporation or the certificates evidencing the same, as the context may require; and, except as the context may otherwise require, the word "pledged"

shall mean required to be pledged with the Corporate Trustee by any of the provisions of this Indenture, or which may be pledged with the Corporate Trustee hereunder at any time, or which may be subject to the lien of this Indenture but pledged at any time under any Prior Lien Indenture.

Subject to the provisions of any Prior Lien Indenture, all pledged securities shall be delivered to the Corporate Trustee in bearer form or accompanied by proper instruments of assignment and transfer and shall be held by the Corporate Trustee subject to the terms and provisions of this Indenture.

SECTION 6.02. The Corporate Trustee is hereby authorized in its discretion to cause to be registered in its name as Corporate Trustee, or in the name of its nominee, any and all pledged coupon bonds or to cause the same to be exchanged for registered bonds without coupons. The Corporate Trustee may cause to be transferred into its name as Corporate Trustee, or into the name of its nominee, all pledged registered bonds without coupons and all pledged stock; 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 securities.

SECTION 6.03. Unless (a) a Receiver shall be in possession of the trust estate or a substantial part thereof or (b) one or more of the Events of Default shall have happened and be continuing—
(i) the Company shall have the right, with the same force and effect as though such stock had not been pledged hereunder, to vote, or to give any approval, consent or waiver in respect of, all pledged stock, for all purposes not contrary to any provision of this Indenture, and from time to time the Corporate Trustee, upon receipt of a Request so to do, shall execute and deliver, or shall cause to be executed and delivered, to the Company or its nominees, suitable powers of attorney or proxies to enable the Company so to vote or take action; (ii) the Company shall be entitled to receive all interest and cash dividends on any of the pledged securities whether before, at or after maturity, and the Corporate Trustee shall not be entitled to collect the same for its own account except with the consent of the Company; *provided, however, that no payment of interest by the Company on any pledged Prior Lien Secu-*

rities shall be made or demanded and the coupons thereto appertaining as they mature shall, upon Request, be cancelled by the Corporate Trustee and delivered to the Company; (iii) the Corporate Trustee shall not, except upon receipt of a Request so to do, enforce any of the provisions of pledged bonds or the mortgages, trust deeds or other instruments under which any of the pledged bonds are issued or by which the same are secured unless in the opinion of the Corporate Trustee the security of this Indenture will be impaired or endangered without such enforcement; (iv) from time to time, upon receipt of a Request so to do, the Corporate Trustee shall deliver to the Company any coupons for such interest on pledged bonds in order that the Company may receive payment thereof for its own use, and shall deliver to the Company suitable orders in favor of the Company, or its nominee or nominees, for the payment of such interest and dividends on pledged bonds and stock, and, except as hereinafter provided in this Section 6.03, the Company may collect all coupons and interest and dividends which the Company is entitled to receive, as aforesaid, and the Corporate Trustee shall pay over promptly to the Company any such interest and dividends which may be received by the Corporate Trustee or its nominees; (v) the Company shall be entitled for its own use to demand and receive and collect, or to release and discharge, the interest on any claim against or indebtedness of any other corporation pledged with the Corporate Trustee hereunder; and, upon receipt of a Request so to do, the Corporate Trustee shall execute and deliver to the Company any reassignments or releases which may be required for that purpose; and (vi) the Corporate Trustee, at the expense of the Company, shall assign and transfer to persons designated by the Company a sufficient number of pledged shares to qualify such persons to act as directors of, or in any other official relation to, the several corporations which issued such shares, upon receipt of a Request so to do, stating that the Company has no shares for that purpose under its control, other than shares held hereunder; *provided, however*, that under this provision no transfer of the stock of any Pledged Subsidiary shall be made which would change the status of such Pledged Subsidiary hereunder.

In case of the happening of any of the contingencies specified in clauses (a) and (b) of the preceding paragraph of this Section 6.03, the Corporate Trustee shall be entitled to vote all the pledged stock, to collect and receive all interest and dividends on the pledged securities, and, as the holder of the pledged securities, to perform any and all acts and to make and execute any and all transfers, requests and requisitions or other instruments which may be necessary or proper to carry out the provisions of this Indenture.

Notwithstanding any other provision of this Indenture, (a) the Company shall not be entitled to receive, and the Corporate Trustee shall not pay over to the Company pursuant to this Article Six but shall be entitled to receive, (i) the principal of, or any premium on, any pledged bond or (ii) any interest on any pledged bond which shall have been paid out of the proceeds of any sale, condemnation or expropriation of any property covered by a mortgage or lien securing such bond or (iii) any dividend on any pledged stock which shall have been paid out of the proceeds of a sale, condemnation or expropriation of the property of the corporation which issued said stock or as a result of the dissolution, liquidation, in whole or in part, or winding up of such corporation or as a stock dividend or as a dividend which in any way shall be chargeable to or be payable out of capital or appropriated or paid-in or capital surplus or upon the reduction of the capital stock of any such corporation or anything paid in retirement or redemption of any pledged stock, it being the intention that the Company shall be entitled to receive dividend payments only when made out of the earned and unappropriated surplus of any such corporation; (b) the Company shall not sell, assign or transfer any such coupon or right to interest or dividends delivered or assigned to it, or collect any coupon, interest or dividend by legal proceedings or by enforcement in any manner which shall be prejudicial to the trusts hereunder; and (c) until actually paid or discharged, every such coupon or right to interest or dividends and any claim and indebtedness therefor shall in all respects remain subject to the lien of this Indenture.

The Corporate Trustee shall be entitled to assume that any interest received by it on any pledged bond is not paid out of the proceeds of any sale, condemnation or expropriation of property, and that any dividend received in money on any pledged stock is paid out of earned and unappropriated surplus, until it is notified in writing to the contrary by a holder of one or more Bonds, by the Company or by the payor of such interest or dividend.

If any such coupon or any such order for the payment of interest or dividends delivered to the Company shall not forthwith be paid or cancelled, the Company shall return the same to the Corporate Trustee, and in case of the payment of any such coupon or interest, the Company shall, upon demand of the Corporate Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

In case the Company or the Corporate Trustee shall receive rights to subscribe to additional securities in respect of any of the pledged securities, the Company may exercise or sell such rights in its discretion; *provided, however*, and subject to the provisions of any Prior Lien Indenture, (a) that all securities acquired by exercise of such rights shall forthwith be delivered to the Corporate Trustee as pledged securities, (b) that all net proceeds from the sale of any such rights shall forthwith be paid to the Corporate Trustee, (c) that if the Company shall not have elected to exercise or sell such rights five days prior to the expiration thereof it shall give the Corporate Trustee notice thereof and the Corporate Trustee shall forthwith sell such rights in such manner as in its uncontrolled discretion it may deem advisable and (d) that if any of the contingencies specified in clauses (a) and (b) of the first paragraph of this Section 6.03 shall have happened the Corporate Trustee shall be entitled at any time in its discretion to sell such rights.

SECTION 6.04. If in the opinion of the Board of Directors the rights of the holders of the Bonds will not be prejudiced or impaired thereby, the Corporate Trustee at any time, upon receipt of a Request so to do, a Certified Resolution evidencing such opinion and an Opinion of Counsel evidencing the applicability of this Section 6.04, shall, subject to the provisions of the next succeeding paragraph of this Section 6.04, (a) cancel, or consent to the cancella-

tion of, any of the pledged securities which, owing to acquisition by the Company in fee of all property subject to the lien of any mortgage or other instrument securing such pledged securities, foreclosure, reorganization, consolidation or other disposition of the property of the corporation which issued such securities, or for any reason, shall have become no longer of any value as security for the Bonds, or (b) consent to a reduction, increase or other change in the capitalization of any corporation whose stock is pledged hereunder, provided that if such corporation is a Pledged Subsidiary the proportionate interest of the Company in such Subsidiary evidenced by such stock so pledged is not thereby reduced.

Whenever all of the property subject to any Prior Lien Indenture shall be subject to the lien of this Indenture (subject to no Prior Lien junior to the lien of such Prior Lien Indenture), and there shall not be any outstanding Prior Lien Securities not held by the Corporate Trustee secured by said Prior Lien Indenture, the Corporate Trustee shall, upon receipt of a Request so to do, an Opinion of Counsel that the action requested may be taken in accordance with the provisions hereof, and a certificate of the trustee under such Prior Lien Indenture to the effect that there are no outstanding Prior Lien Securities secured by said Prior Lien Indenture not held by the Corporate Trustee, cancel such Prior Lien Securities or surrender the same to the trustee under such Prior Lien Indenture for cancellation.

SECTION 6.25. In case default shall be made in the payment of the principal of or interest on any of the pledged bonds or on any bonds secured by a mortgage, deed of trust, or other instrument which secures or purports to secure any of the pledged bonds, or in the due observance or performance of any covenant contained in any of such bonds or any such mortgage or deed of trust or other instrument, then, and in every such case, the Corporate Trustee shall, upon receipt of a Request so to do, and upon being indemnified to its satisfaction against any expenses to be incurred in connection therewith, bring an appropriate action to recover such principal and interest or to compel the observance or performance of such covenant, and if it holds an amount of such bonds in default sufficient under such mortgage, deed of trust or instrument to take such action, cause proper proceedings to be instituted

and prosecuted in some court of competent jurisdiction to foreclose the mortgage, deed of trust or other instrument by which such bonds are secured, or otherwise enforce such rights; *provided, however*, that if (a) a Receiver shall be in possession of the trust estate or a part thereof or (b) one or more of the Events of Default shall have happened and be continuing or (c) in the opinion of the Corporate Trustee the security of this Indenture will be impaired or endangered without such action, then the Corporate Trustee may institute such proceedings without such Request.

If at any time all or any of the property of any Pledged Subsidiary shall be sold at any judicial or any other sale, or if any property covered by a mortgage securing any pledged bonds shall be sold upon foreclosure of such mortgage, then, if the property of such Pledged Subsidiary, or the property sold, can be acquired by crediting on the securities pledged hereunder any sum accruing or to be received thereon out of the proceeds of such property, and the Corporate Trustee is requested in writing by the Company or by the holders of a majority in principal amount of the Bonds at the time outstanding hereunder so to purchase or cause to be purchased such property and if it is provided with the cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, the Corporate Trustee shall so purchase or cause to be purchased such property, and shall use such pledged securities in paying for said property. In case of any such purchase the Corporate Trustee shall take such steps as it may deem best to cause such property to be vested either in the Company, subject to the lien of this Indenture, or in some corporation organized or to be organized for that purpose, all of whose funded debt (except such, if any, as shall represent a lien existing upon the property at the time it was acquired) and all of whose capital stock (except the number of shares required to qualify directors) shall be received and held by the Corporate Trustee and shall be vested in the Company subject to the lien of this Indenture.

The Corporate Trustee may take such other action from time to time as the Corporate Trustee shall deem best calculated to protect the interests of the holders of the Bonds in respect of any pledged securities; and for that purpose, with the consent of the Company, the Corporate Trustee may join in or consent to any plan

of readjustment or reorganization in respect of any such pledged securities and may accept any cash, securities or other property delivered in payment or exchange therefor under such plan; *provided, however*, that if (a) a Receiver shall be in possession of the trust estate or a part thereof or (b) one or more of the Events of Default shall have happened and be continuing or (c) in the opinion of the Corporate Trustee the security of this Indenture will be impaired or endangered without such action, the Corporate Trustee shall be entitled to take the steps authorized in this paragraph without the consent of the Company.

The Company covenants that on demand of the Corporate Trustee it forthwith will pay or provide for the payment of all expenditures (except expenditures for which cash shall theretofore have been deposited by the Company with the Corporate Trustee under the provisions of this Section 6.05) incurred by the Corporate Trustee under any of the provisions of this Section 6.05, and in case the Company shall fail so to do, then, without impairment of or prejudice to any of its rights hereunder by reason of such default of the Company, the Corporate Trustee, without notice to the holders of the Bonds, may advance all such expenses and other moneys required or may procure such advances to be made by others (but shall be under no obligation so to do unless first furnished with the necessary funds), and for such advances made by the Corporate Trustee or by others at its request, with interest thereon, the Corporate Trustee shall have a lien on the trust estate prior to the lien of the Bonds; but in no case shall the Corporate Trustee make or procure an advance which would be so secured if as a result the principal sum secured by such lien would exceed in the aggregate a sum equal to 5% of the total principal amount of Bonds then outstanding.

SECTION 6.06. The Corporate Trustee at any time, whether or not one or more of the Events of Default shall have happened and be continuing, may consent to the renewal or extension of any of the pledged bonds and of the mortgages or other instruments, if any, securing the same, at the same or at a higher rate of interest, and shall so consent, upon receipt of a Request so to do, if no Event of Default shall have happened and be continuing; and in case of

the renewal of any of such bonds the Corporate Trustee may surrender such bonds to the corporation which issued them or its successor and in lieu thereof may receive renewal bonds bearing such interest and maturing at such time as the Corporate Trustee may deem reasonable; *provided, however*, that if such bonds were secured by a lien, such extended or renewal bonds shall be secured by a lien upon the same property, or upon the same property and additional property, equal or superior to that securing the bonds extended or renewed. The Corporate Trustee may accept an Opinion of Counsel as conclusive evidence that such extended or renewal bonds are so secured. All bonds received in exchange for or in renewal of any pledged bonds shall be held subject to the lien and to all the terms and provisions of this Indenture in the same manner and to the same extent as the bonds in exchange for which or in renewal of which they shall have been received.

SECTION 6.07. The pledge hereunder at any time of any shares of stock of any corporation shall not prevent the consolidation with or merger of such corporation into, or the sale, conveyance, transfer or lease of all or any part of the property of such corporation to, the Company; *provided, however*, that such consolidation, merger, sale, conveyance, transfer or lease shall be made only upon such terms as shall not in any manner impair or prejudice the value of the security hereof and shall be subject to the provisions of Article Twelve hereof to the extent that such provision shall be applicable. In the event of the consolidation or merger of any such corporation with, or the sale, conveyance, transfer or lease of all or substantially all its property to, the Company, this Indenture *ipso facto* shall become and be a lien upon all the estate, right, title and interest of the Company in an undivided interest in all lines of railroad and appurtenances and other real property, all Equipment and all securities theretofore owned by such corporation which shall be the equitable equivalent of the proportion of the total stock of such corporation theretofore pledged hereunder or leasehold so acquired with the same force and effect as if such undivided interest had been directly owned by the Company at the date of this Indenture and conveyed to the Trustees hereunder; and the Company shall execute and deliver to the Trustees all such instruments as may be required of it by the Trustees further to establish and perfect such lien.

Any corporation, shares of whose stock are pledged hereunder, may consolidate with, merge into, or sell, convey, transfer or lease all or any part of its property to, any other person or corporation, *provided, however*, (a) that the value of the security under this Indenture shall not be in any way impaired or prejudiced thereby, (b) that the whole consideration payable, distributable or deliverable on account of the shares of stock pledged hereunder in the event of any such consolidation, merger, sale, conveyance or transfer (whether such consideration be in cash or otherwise) shall be pledged with and delivered to the Corporate Trustee and shall be and become subject to the lien of this Indenture and (c) that, if such corporation be a Pledged Subsidiary, either (i) the consolidated corporation, or the corporation into which such Pledged Subsidiary is merged, or to which its property is sold, conveyed, transferred or leased, is, or thereafter will be, a Pledged Subsidiary, or (ii) in the judgment of the Board of Directors, evidenced by a Certified Resolution delivered to the Corporate Trustee, the transaction is desirable in connection with arrangements for control of the property of such Pledged Subsidiary by the Company and other corporations, and will be beneficial to the trust estate.

Any corporation, shares of whose stock are pledged hereunder, may merge another corporation into itself or take a conveyance of all or any part of the property of any other corporation, *provided, however*, (a) that the value of the security under this Indenture shall not be in any way impaired or prejudiced thereby and (b) that, if such corporation be a Pledged Subsidiary, either (i) such corporation shall remain a Pledged Subsidiary, or (ii) in the judgment of the Board of Directors, evidenced by a Certified Resolution delivered to the Corporate Trustee, the transaction is desirable in connection with arrangements for control of the property of such Pledged Subsidiary by the Company and other corporations, and will be beneficial to the trust estate.

The stock of any corporation, any of whose stock is pledged hereunder, may for the purpose of carrying out any transaction permitted by the foregoing provisions of this Section 6.07, and as a part of or in contemplation of such transaction, be increased or reduced to the extent necessary therefor, *provided, however*, that

the percentage of the stock of such corporation of each class pledged hereunder shall not be decreased by such increase or reduction of stock.

The Corporate Trustee may accept an Officers' Certificate as conclusive evidence that the value of the security hereunder will not be impaired or prejudiced by any consolidation, merger, sale, conveyance, transfer or lease proposed to be made under the provisions of this Section 6.07.

SECTION 6.08. All moneys received by the Corporate Trustee under any of the provisions of this Article Six, other than moneys to which the Company is entitled pursuant to the provisions of Section 6.03 hereof, shall be held as Deposited Cash, and any securities so received shall become subject to the lien and to all the terms and provisions of this Indenture.

ARTICLE SEVEN.

REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 7.01. If one or more of the following events, herein called Events of Default, shall happen, that is to say:

(1) if default shall be made in the payment of any installment of interest on any of the Bonds when such interest shall be due and payable, and such default shall continue for 60 days; or

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

(3) if default shall be made in the payment of any installment of any sinking fund provided for in any indenture supplemental hereto, when and as the same shall become due and payable in accordance with the provisions of any indenture supplemental hereto, and such default shall continue for 60 days; or

(4) if default shall be made in the observance or performance of any other covenants, conditions and agreements on the part of the Company contained in the Bonds or in this Indenture or in any indenture supplemental hereto, and such default shall continue for 60 days (or in case of any default under a supplemental indenture for such other time, if any, as may be specified

therein) after written notice specifying such default and requiring the same to be remedied shall have been given to the Company by the Corporate Trustee, which notice may be given by the Corporate Trustee in its discretion, and shall be given on the written request of the holders of not less than 10% in principal amount of the Bonds at the time outstanding; or

(5) if an application shall be made for a reorganization of the Company under the provisions of the Federal Bankruptcy Act or any other law, Federal or State, or to invoke for the Company the advantage of any law in aid of debtors (other than Section 20b of the Interstate Commerce Act or other law granting similar relief) or for the appointment of a Receiver of all or any substantial part of the property of the Company, and if either (a) such application shall be made, consented to, or acquiesced in, by the Company, or (b) a Receiver shall be appointed by an order or decree of a court of competent jurisdiction and such order or decree shall continue unstayed on appeal or otherwise and in effect for a period of 60 days;

then, and in any such case, the Company agrees, subject to any valid order to the contrary of a court having jurisdiction in the premises, that the Trustees shall be entitled, as a matter of right, to the appointment of a Receiver of the trust estate, and of the earnings, rents, issues, profits, tolls, charges, revenues and income thereof with such powers as the court making such appointment shall confer and to the entry of an order directing that the earnings, rents, issues, profits, tolls, charges, revenues and other income of the premises and property comprised in the trust estate be segregated, sequestered and impounded for the benefit of the Trustees and the holders of the Bonds; but notwithstanding the appointment of any Receiver, the Corporate Trustee shall be entitled as pledged to retain possession and control of, and to collect all interest and dividends or earnings on, all of the pledged securities. The Company hereby irrevocably consents to the appointment of such a Receiver and to the entry of such order.

SECTION 7.02. In case any one or more of the Events of Default shall have happened and be continuing, then in any such case the Trustees, or either of them, may, and upon the written request of the holders of at least 25% in principal amount of the Bonds then outstanding shall, upon being indemnified as provided in Section

10.01 hereof, proceed to protect and to enforce the rights of the Trustees and of the holders of the Bonds, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or to prevent any impairment of the security hereof, or for the foreclosure of this Indenture and the sale of the trust estate, or for the enforcement of any other appropriate legal or equitable remedy as the Trustees or either of them acting therein, being advised by counsel, shall deem most effectual to protect and enforce any of their rights and the rights of the holders of Bonds under this Indenture.

SECTION 7.93. In case any one or more of the Events of Default shall have happened and be continuing, the Trustees may, and, upon the written request of the holders of at least 25% in principal amount of the Bonds then outstanding, shall, by written notice to the Company, declare the principal of all Bonds then outstanding to be due and payable forthwith, and upon any such declaration the principal of the Bonds shall forthwith become and be due and payable, anything in this Indenture or in the Bonds 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 trust estate or any part thereof shall have been made, all arrears of interest upon all outstanding Bonds, with interest to the extent permitted by law on all interest theretofore due and payable from the date when the same should have been paid at the respective rates carried by the Bonds, and the principal of any Bonds which shall have become due otherwise than by declaration hereunder, and the reasonable charges and expenses of the Trustees, their agents and attorneys, shall either be paid by the Company or collected out of the income of the trust estate and all other defaults made good to the satisfaction of the Trustees, then and in every such case the holders of a majority in principal amount of the Bonds then outstanding, by written notice to the Company and to the Trustees, may waive such defaults and their consequences and annul such declaration of the maturity of the Bonds, but no such waiver and annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

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

SECTION 7.04. Any sale or sales made pursuant to this Indenture, under or by virtue of any judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company of, in and to the premises and 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 the premises and property sold, or any part thereof, from, through or under the Company, its successors or assigns.

The Company, for itself and all persons and corporations hereafter claiming through or under it, hereby expressly waives and releases all right to have the properties and estate comprised in the security intended to be created by this Indenture marshalled upon any foreclosure or other enforcement hereof.

The personal property and chattels conveyed or intended to be conveyed by or pursuant to this Indenture, other than cash and securities, shall be deemed to be real estate for all the purposes of this Indenture, and shall be held and taken to be fixtures and appurtenances of the lines of railroad subject to the lien of this Indenture and a part thereof, and may be used and sold therewith.

SECTION 7.05. The receipt of the Trustees or other person authorized to receive the same for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, sold as aforesaid, and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound

to see to the application of such purchase money or any part thereof upon or for any trust or purpose of this Indenture, or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 7.06. In case of a sale of the trust estate substantially as a whole under any of the foregoing provisions of this Article SEVEN, the principal of all Bonds then outstanding, if not previously due, immediately thereupon shall become due and payable, together with all interest which would be due and payable thereon if the Trustees had declared the principal of the Bonds due and payable on the date of such sale pursuant to Section 7.03 hereof.

SECTION 7.07. The purchase money, proceeds and avails of any such sale, together with any other sums which then may be held by or for the Trustees under any of the provisions of this Indenture as part of the trust estate or of the proceeds thereof, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustees under this Indenture and to the payment of all taxes, assessments and Prior Liens, except taxes and Prior Liens, if any, subject to which the property shall have been sold;

Second. To the payment of the whole amount then due and unpaid upon the Bonds, for principal, premium thereon, if any, and for interest, with interest on the overdue principal and, to the extent permitted by law, on overdue installments of interest from the respective dates on which the same became payable at the respective rates carried by the Bonds, and in case such proceeds shall be insufficient to pay in full such whole amount so due and unpaid, then to the payment thereof ratably according to the aggregate of such principal, premium, if any, and interest, without preference or priority of any Bond over any other Bond of the same or of another series or of principal and premium, if any, over interest, or of interest over principal, and premium, if any, or of any installment of interest over any other installment of interest; and

Third. To the payment of the surplus, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SECTION 7.08. In case of any sale under the foregoing provisions of this Article Seven, 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 unpaid appurtenant coupons and interest obligations 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; and such purchaser shall be credited on account of the purchase price payable by him with the sums payable out of such net proceeds which shall be applicable to the payment of and which shall have been credited upon the Bonds and coupons so presented; and at any such sale, any holder of Bonds may bid for, and purchase, such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of said sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 7.09. The Company covenants that (a) if default shall be made in the payment of any installment of interest on any Bond when and as the same shall become payable as provided in this Indenture, and such default shall have continued for 60 days, or (b) if default shall be made in the payment of the principal of any Bond when the same shall become due and payable, whether at maturity or upon call for redemption or by declaration as provided in Section 7.03 hereof or upon a sale of the trust estate as provided in Section 7.06 hereof, or otherwise as in this Indenture provided, then upon demand of the Trustees the Company will pay to the Trustees for the benefit of the holders of the Bonds and coupons the whole amount then owing on the Bonds and coupons, for principal and premium, if any, or for interest, or both, as the case may be, with interest on the principal and, to the extent permitted by law, any overdue installments of interest from the respective dates when the same became payable, at the respective rates carried by the Bonds; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustees, in their own names and as trustees of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustees shall be entitled to recover judgment, as aforesaid, either before, or after, or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the trust estate, and the right of the Trustees 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 the foreclosure of the lien hereof; and in case of a sale of the trust estate as a whole, or any parcel thereof, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees, in their own names and as trustees of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the Bonds and coupons hereby secured and then outstanding for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest thereon as above provided.

No recovery of any judgment by the Trustees and no levy of any execution upon or by virtue of any such judgment upon the trust estate, or part thereof, or on any other property, shall in any manner, or to any extent, affect the lien of this Indenture on the trust estate or any part thereof, or any rights, powers or remedies of the Trustees hereunder or any rights, powers or remedies of the holders of the Bonds and coupons hereby secured, but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustees under this Section 7.09 shall be applied by the Trustees:

First To the payment of the costs and expenses of the proceedings resulting in the collection of such moneys, and of the expenses, liabilities and advances made or incurred by the Trustees under this Indenture;

Second. To the payment of the whole amounts then due and unpaid upon the Bonds for principal, premium thereon, if any, and for interest in accordance with the provisions of paragraph *Second* of Section 7.07 hereof ratably according to the amount due and payable upon such Bonds for principal, premium and interest, respectively, at the date fixed by the Trustees for distribution of such moneys, upon presentation of the several Bonds and coupons, if any.

SECTION 7.10. The Company will not at any time insist upon or plead, or in any manner whatever claim or take the benefit or advantage of, any law, wherever enacted, in aid of debtors (other than Section 20b of the Interstate Commerce Act or other law granting similar relief) or any law, wherever enacted, for staying actions in respect of mortgages or mortgage indebtedness or extending the time of payment of such indebtedness now or at any time hereafter in force in any locality where the trust estate, or any part thereof, may or shall be situate, nor will it claim, take or insist on any benefit or advantage from any law now or hereafter in force, wherever enacted, providing for the valuation or appraisal of the trust estate, or any part thereof, prior to any sale or sales thereof to be made pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales will it claim or exercise any right under any statute heretofore or hereafter enacted by the United States, or by any State, or otherwise, to redeem the property so sold or any part thereof; and the Company hereby expressly waives all benefit and advantage of any such law or laws, and covenants that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustees, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

SECTION 7.11. Anything in this Indenture contained to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy open to the Trustees, or either of them, and of exercising any power or trust conferred upon the Trustees under this Indenture; *provided, however*, that the Trustees shall not be bound to follow such directions if, in their judgment, such action would be prejudicial to any other holder of Bonds.

SECTION 7.12. The Trustees are hereby appointed (and the successive holders of the Bonds by taking and holding the same shall conclusively be deemed to have so appointed the Trustees) the true and lawful attorneys-in-fact of the respective holders of the Bonds, with authority to make or file, irrespective of whether the Bonds or any of them are in default as to payment of principal or interest,

in the respective names of the holders of the Bonds and coupons or in behalf of all holders of the Bonds and coupons as a class, any proof of claim, amendment to any proof of claim, petition or other document, and to execute any and all other papers and documents and do and perform any and all other acts and things for and in behalf of the respective holders of the Bonds and coupons, or in behalf of all holders of the Bonds and coupons as a class, as may be necessary or advisable in the judgment of the Corporate Trustee in order to have the claims of the holders of the Bonds and coupons against the Company, or any successor, or any other person or corporation, allowed and paid in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding which shall involve the trust estate or any part thereof, and to receive payment of or on account of any such claim or claims; and any Receiver in any such proceeding is hereby authorized by each holder of any Bond to make such payments to the Corporate Trustee, and, in the event that the Corporate Trustee shall consent to the making of such payments directly to the holders of the Bonds, to pay to the Trustees any amount due them for compensation and expenses, including counsel fees, incurred by them up to the date of such distribution. The Trustees shall have full power of substitution and delegation in respect of any such power. Nothing herein contained shall give the Trustees authority to assent to or reject on behalf of any holder of Bonds and coupons any plan of reorganization proposed or approved in any such proceeding.

SECTION 7.13. No holder of any Bond or appurtenant coupon shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust hereunder, including the appointment of a Receiver, or for any other remedy hereunder, unless such holder previously shall have delivered to the Trustees written notice that some one or more specified Events of Default has happened and is continuing, nor unless also the holders of at least 25% in principal amount of the Bonds then outstanding shall have requested the Trustees in writing, and shall have afforded to them reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in their

own names, nor unless also one or more holders of Bonds shall have offered to the Trustees reasonable security and indemnity, satisfactory to them, against the costs, expenses and liabilities to be incurred therein or thereby, nor unless also the Trustees shall have refused or neglected to act on such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustees, to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for foreclosure, including the appointment of a Receiver, or for any other remedy hereunder, it being understood and intended that no holder or holders of Bonds and coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had or maintained in the manner herein provided, and for the equal benefit of all holders of the outstanding Bonds and coupons.

Nothing contained in this Section 7.13 or elsewhere in this Indenture or in the Bonds shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of the Bonds and the interest thereon to the respective holders thereof at the time and place, in the amount, and in the currency prescribed in such Bonds, or affect or impair the right of action at law, which is also absolute and unconditional, of such holders to enforce such payments.

SECTION 7.14. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustees or the holders of the Bonds is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

SECTION 7.15. No delay of the Trustees or of any holder of Bonds in exercising any right or power accruing upon any default continuing as aforesaid and no omission to exercise any such right

or power shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article Seven to the Trustees, or to the holders of the Bonds, may be exercised from time to time, and as often as may be deemed expedient, by the Trustees or by the holders of the Bonds respectively.

SECTION 7.16. The Trustees shall have power to institute and maintain suits or proceedings to restrain the enforcement of, or compliance with, or the observance of, any legislative or governmental enactment, rule or order that they may believe to be unconstitutional, or otherwise invalid, if the enforcement of, or compliance with, or observance of, such enactment, rule or order would, in the judgment of the Trustees, impair the security hereunder or be prejudicial to the Trustees or to the holders of the Bonds.

SECTION 7.17. Anything herein contained to the contrary notwithstanding, any supplemental indenture executed pursuant to subparagraph (5) of Section 13.01 hereof may provide that a specified percentage of the holders of the series of Bonds created by such supplemental indenture may require action by the Trustees under Section 7.03 or Section 7.13 hereof without the concurrence of holders of Bonds of other series, in case of the happening of any default affecting the rights of the holders of such series of Bonds which does not similarly affect the rights of holders of all other series of Bonds at the time outstanding.

ARTICLE EIGHT.

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS.

No recourse shall be had for the principal of, or the premium, if any, or interest on, any Bond, or any part thereof, or for any claim based thereon or otherwise in respect thereof or of the indebtedness represented thereby, or based on or in respect of this Indenture or any indenture supplemental hereto, against any incorporator, or any past, present or future stockholder, officer or director of the Company or of any successor corporation, as such, either directly or through the Company or any successor corporation or any other person, whether by virtue of any constitution, statute

or rule of law or by the enforcement of any assessment or penalty or otherwise, it being expressly understood and agreed that this Indenture and the obligations hereby secured are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer or director of the Company or of any successor corporation, as such, because of the incurring of the indebtedness hereby secured or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or any supplemental indenture or any of the Bonds or coupons, any and all such personal liability, whether presently existing or hereafter arising, being hereby expressly waived and released as a part of the consideration for the execution of this Indenture and the issue of the Bonds.

ARTICLE NINE.

BONDHOLDERS' ACTS, HOLDINGS AND APPARENT AUTHORITY.

SECTION 9.01. 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 Fifteen, or (c) by a combination of such instrument or instruments and any such record of such a meeting of bondholders.

SECTION 9.02. Subject to the provisions of the first paragraph of Section 15.03 hereof, 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 authorized to take acknowledgments of deeds to be recorded within the United States of America 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 serial 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 exhibited by any trust company, bank or banker or other depositary satisfactory to the Corporate Trustee if such certificate shall be deemed by the Corporate 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 serial number was deposited with or exhibited to such trust company, bank or banker or other depositary 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 (a) another certificate bearing a later date issued in respect of the same Bond shall be produced, or (b) the Bond specified in such certificate shall be produced by some other person, or (c) the Bond specified in such certificate shall be registered as to principal or shall have ceased to be outstanding.

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

The Trustees may require such additional proof of any matter referred to in this Section 9.02 as they shall deem necessary.

The record of any bondholders' meeting shall be proved in the manner provided in Section 15.05.

SECTION 9.03. In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, direction, request, waiver or other action under this Indenture, Bonds known by the Corporate Trustee to be owned or held by or for the account of the Company or any other obligor on the

Bonds, or any Affiliate, shall be disregarded and deemed not to be outstanding for the purpose of such determination, except that any Bonds including Bonds of Series A pledged by the Company or any such person as security for loans or other obligations shall be deemed to be outstanding for all purposes if the pledgee is entitled pursuant to the terms of the pledge agreement and is free to exercise in its uncontrolled discretion the right to vote such Bonds; *provided, however*, that until an event of default under the Northern Pacific Collateral Trust Indenture shall have occurred and be continuing, the Bonds of Series A in excess of the principal amount of the bonds issued under the Northern Pacific Collateral Trust Indenture and entitled at the time in question to vote at a bondholders' meeting held pursuant thereto shall be disregarded and deemed not to be outstanding for the purpose of any such determination. The Trustees shall be entitled to rely on an Officers' Certificate as to whether any event of default under the Northern Pacific Collateral Trust Indenture has occurred and is continuing and as to the principal amount of bonds issued thereunder entitled to vote at bondholders' meetings held pursuant thereto, unless the Trustees shall receive a certificate of the trustee under the Northern Pacific Collateral Trust Indenture to any such effect inconsistent with any such Officers' Certificate, in which event the certificate of such trustee shall be conclusive to the extent of any such inconsistency.

SECTION 9.04. At any time prior to (but not after) the evidencing to the Trustees, as provided in Section 9.01, of 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 serial number of which is shown by the evidence to be included in the Bonds the holders of which have consented to such action may, by filing written notice with the Corporate Trustee at its principal office and upon proof of holding as provided in Section 9.02, 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 Trustees and holders of all the Bonds, their successors and assigns.

ARTICLE TEN.

CONCERNING THE TRUSTEES.

SECTION 10.01. The Trustees accept the trusts hereby created upon the following terms and conditions, to all of which the Company and the holders of the Bonds and coupons 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 Trustees assume no responsibility for the correctness of the same.

(b) The Trustees shall be under no duty to file, register or record or cause to be filed, registered or recorded this Indenture or any supplement hereto as a mortgage, conveyance or transfer of real or personal property or otherwise, or to refile, reregister or rerecord or renew the same.

(c) The Trustees, or either of them, may execute any of the trusts under this Indenture or exercise any of the powers hereby vested in them or either of them or perform any duty hereunder either themselves or by or through their attorneys, agents or employees and the Trustees 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 and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often

as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or any other person to or on the Company shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed to Burlington Northern Inc., St. Paul, Minnesota 55101, until another address is filed by the Company with the Corporate Trustee and thereafter addressed to such other address. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them, shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have actual knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than 5% in principal amount of the outstanding Bonds shall have notified the Corporate Trustee in writing that an Event of Default has happened and is continuing.

(f) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but nothing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(g) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either

of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion.

(h) Any notice, resolution, request, certificate, statement, appraisal, opinion, report, order or other paper which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry if believed by them, or either of them, to be genuine and to have been signed, sent or presented by the proper party or parties and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such notice, resolution, request, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or consent or any other application to the Trustees, or either of them, or before taking, suffering or omitting to take any other action, hereunder, *provided, however*, that the Trustees may make any such independent inquiry or investigation as they may see fit.

(i) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the exercise of their powers and the performance of their duties hereunder. The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this subparagraph (i).

(j) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(k) Except as provided in Section 10.02 hereof, the Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay thereon.

(l) Either Trustee, or any corporation in or with which either Trustee may be interested or affiliated, or any officer or director or trustee or stockholder of the Corporate Trustee or of any such corporation, may acquire and hold Bonds, and the Corporate Trustee may act as depositary, transfer agent, exchange agent, paying agent, registrar, custodian, escrow agent or fiscal agent for the Company or for any committee or other body, firm or corporation in respect of any Bonds or in respect of any other securities of the Company or any other corporation.

(m) Any action at any time taken by the Trustees, or either of them, pursuant to or with respect to this Indenture at the request or with the consent or approval of any person who at the time is the holder of any Bond, shall be conclusive and binding upon all future holders of such Bond.

(n) All rights of action under this Indenture may be enforced by the Trustees without the possession of any of the Bonds or the production thereof on the trial or other proceedings relative thereto.

(2) No implied covenant shall be read into this Indenture against the Trustees; but the duties of the Trustees shall be determined solely by the provisions of this Indenture.

SECTION 10.02. Any money which at any time shall be deposited with the Corporate Trustee shall be held in trust by the Corporate Trustee for the holders of all outstanding Bonds and coupons (or, if elsewhere herein so provided, for the holders of the Bonds and coupons for the payment of which such money was deposited) until disposed of in accordance with the provisions of this Indenture but need not be segregated and may be held as part of the general funds of the Corporate Trustee.

Any Deposited Cash shall upon Request of the Company be invested or reinvested by the Corporate Trustee in any bonds or other obligations maturing not more than five years after their acquisition designated in the Request, and not disapproved by the Corporate Trustee, which as to principal and interest constitute direct obligations of the United States of America. The Company shall promptly reimburse the Corporate Trustee for any premium (over principal amount) or accrued interest paid upon the purchase of any such obligations pursuant to the foregoing provisions, and for any expenses incurred by it in connection with the purchase or sale thereof, including any brokerage commissions.

Until an Event of Default shall have happened and be continuing, any interest on such bonds or obligations which may be received by the Corporate Trustee shall be forthwith paid to the Company and the Company shall be entitled to the same; provided, that if at any time the market value of such bonds and obligations shall be less than their principal amount or cost, whichever is the less, the Corporate Trustee may out of any such interest collected by it and not therefore paid over to the Company retain an amount sufficient to make up such deficit so long as such deficit shall exist. Such bonds and obligations and retained interest shall be held by the Corporate Trustee as a part of the trust estate, but, upon Request, or at any time when the Corporate Trustee in its discretion shall deem such action advisable, the Corporate Trustee shall sell all or any designated part of the same, and the proceeds of

such sale shall be held by the Corporate Trustee as Deposited Cash. In case the net proceeds realized upon any sale, together with any interest held with respect thereto, shall amount to less than the principal amount or cost, whichever is less, of the bonds or other obligations so sold, the Company shall promptly pay to the Corporate Trustee the amount of the difference between the principal amount or cost, whichever is less, and the net proceeds and interest held with respect thereto, and the amount so paid shall be held by the Corporate Trustee as Deposited Cash. The Company, unless an Event of Default shall have happened and be continuing, shall be entitled to receive any amount realized from the sale, redemption or payment on maturity of the bonds or other obligations in excess of the purchase price thereof, together with the amount of any premium thereon theretofore paid by the Company to the Corporate Trustee.

Whenever the Company shall be entitled to the withdrawal of Deposited Cash, the Company shall accept bonds or other obligations held by the Corporate Trustee as part of the trust estate pursuant to this Section 10.02 to the extent that such bonds or other obligations shall be tendered to the Company by the Corporate Trustee in lieu of cash, and such bonds or other obligations shall be accepted in lieu of cash at the cost thereof to the trust estate.

SECTION 10.03. Any corporation into which the Corporate Trustee may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Corporate Trustee shall be a party, if such corporation shall be a trust company or a banking corporation in good standing organized under the laws of the United States of America or the State of New York and shall have an office in the Borough of Manhattan, City and State of New York, and shall have a capital and surplus aggregating at least \$10,000,000, shall be the successor Corporate Trustee under this Indenture without the execution or filing of any paper or the performance of any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 10.04. Either Trustee may at any time resign and be discharged from the trusts hereby created by giving to the Company written notice of such resignation specifying a date when such resignation shall take effect. Notice of such resignation shall be promptly published, once in each week for two successive weeks, in one Qualified Newspaper and such resignation shall take effect on the date specified in such notice (which date shall not be earlier than twenty days after the first publication thereof) or on the date of the appointment of a successor trustee as hereinafter provided, whichever shall be earlier.

Either Trustee may be removed at any time by the holders of two-thirds in principal amount of the Bonds at the time outstanding and the Individual Trustee may be removed at any time by the Corporate Trustee. Any Trustee so removed shall be entitled to its or his reasonable compensation then accrued and unpaid, and the reimbursement of proper expenses theretofore incurred and not previously reimbursed.

In case at any time the Individual Trustee shall resign or shall be removed or shall die or shall become incapable of acting, a successor may be appointed by the Company and the Corporate Trustee and, upon the request of the Corporate Trustee, the Company shall for such purpose join with the Corporate Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such successor. In the event that the Company shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do, the Corporate Trustee alone shall have power to make such appointment.

No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder.

SECTION 10.05. In case at any time the Corporate Trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver of the Corporate Trustee 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 Corporate Trustee, or its property or affairs, or

if a vacancy shall arise in the corporate trusteeship under this Indenture from any other cause, the Company, by an instrument duly executed and acknowledged by its proper officers, by authority of its Board of Directors, may appoint a successor Corporate Trustee to fill the vacancy until the appointment of a new Corporate Trustee by the holders of Bonds or by a court as hereinafter provided. The Company shall publish notice of any such appointment made by it as provided in Section 10.04 hereof.

In any instances in which the Company may be authorized to appoint a Corporate Trustee to fill a vacancy, a successor Corporate Trustee may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, notification being given to the Company and the predecessor Corporate Trustee; *provided, however, that no such appointment may be made (a) more than one year after the first publication of a notice of the appointment by the Company of a successor Corporate Trustee to fill such vacancy; or (b) after the appointment of a successor Corporate Trustee by a court, as hereinafter provided. Upon the appointment of a successor Corporate Trustee by the holders of Bonds as hereinabove provided, any successor Corporate Trustee theretofore appointed by the Company to fill a vacancy shall, immediately and without further act, be superseded by the successor Corporate Trustee so appointed.*

If no appointment of a successor Corporate Trustee shall be made by the holders of Bonds or by the Company pursuant to the foregoing provisions of this Section 10.05 within three months after the happening of any of the events set forth in the first paragraph of this Section 10.05, the holder of any Bond or any retiring Corporate Trustee may apply to any court of competent jurisdiction to appoint a successor Corporate Trustee. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint a successor Corporate Trustee, unless in the meantime a successor Corporate Trustee shall have been so appointed by the holders of Bonds.

Every successor to the Corporate Trustee appointed under any of the provisions of this Article Ten shall be a trust company or a banking corporation in good standing organized under the laws of

the United States of America or the State of New York, having an office in the Borough of Manhattan, City and State of New York, and a capital and surplus aggregating at least \$10,000,000, if there be such a trust company or banking corporation able and willing to act on customary terms. Any successor to the Individual Trustee shall always be an individual, but no such successor to the individual Trustee shall be appointed by the Company without the approval of the Corporate Trustee, which may be expressed by joining in the instrument of appointment.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the predecessor trustee hereunder and to the Company an instrument in writing accepting such appointment hereunder, and thereupon said successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the retiring trustee, nevertheless, on the written request of the Company or of the successor trustee, and upon payment of its unpaid compensation and expenses, if any, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in said successor trustee all the right, title and interest of the retiring trustee in and to the trust estate and said rights, powers, trusts, duties and obligations; and the retiring trustee shall also, upon like request and upon payment of its unpaid compensation and expenses as aforesaid, pay over, assign and deliver to the successor trustee any money and other property subject to the lien of this Indenture then held by it, and deliver any and all records, or copies thereof, in respect of the trusts hereunder which it may have; and upon request of any such successor trustee the Company shall execute, acknowledge and deliver any and all deeds, conveyances or other instruments in writing for more fully and certainly vesting in and confirming to such successor trustee said estates, properties, rights, powers and duties.

SECTION 10.06. The Individual Trustee shall act as and be such upon the following terms and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustees, including, without limitation, the giving of releases or the taking of other action pursuant to Article Five hereof, shall be conferred or imposed solely upon and solely exercised and performed by the Corporate Trustee except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed (including the act of receiving and holding property therein as a mortgage) the Corporate Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by the Individual Trustee;

(2) No power granted by this Indenture to, or which this Indenture provides may be exercised by, the Individual Trustee shall be exercised by the Individual Trustee except jointly with, or with the consent in writing of, the Corporate Trustee;

(3) All moneys which may be received or collected by the Individual Trustee, either as a co-trustee or separate trustee, shall be paid over to the Corporate Trustee;

(4) The Individual Trustee, to the extent permitted by law, may at any time by an instrument in writing constitute the Corporate Trustee or its successor in the trust hereunder his agent or attorney in fact, with full power and authority to do any and all acts and things and exercise any and all discretion authorized or permitted by him, in his behalf and in his name;

(5) In case at any time the Company shall file with the Corporate Trustee an Opinion of Counsel to the effect that it is no longer required that one of the trustees shall be an individual, the Individual Trustee shall forthwith cease to be a trustee, and all powers of the Individual Trustee shall forthwith terminate, as shall his right, title or interest in and to the mortgaged premises and all other parts of the trust estate, and no successor to the Individual Trustee shall be appointed, and all the title, rights and powers of the Individual Trustee shall devolve upon the Corporate Trustee alone.

SECTION 10.07. If at any time or times, in order to conform to any legal requirement or in order fully to protect the interests of

the holders of the Bonds, the Corporate Trustee shall so request, the Company and the Trustees shall unite in the execution and performance of all instruments and agreements necessary or proper to appoint another bank or trust company or one or more persons approved by the Corporate Trustee, either to act as trustee or co-trustees of all or any part of the trust estate, jointly with the Trustees, or to act as separate trustee or trustees of any such property, with such power and authority as may be necessary to the effectual operation of the trusts herein set forth and specified in the instrument of appointment.

ARTICLE ELEVEN.

POSSESSION UNTIL DEFAULT—DEFERABANCE CLAUSE.

SECTION 11.01. Unless and until (a) a Receiver shall have entered into possession of the trust estate or a substantial part thereof or (b) some one or more of the Events of Default shall have happened and be continuing, the Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all of the trust estate (other than pledged securities and cash held by the Corporate Trustee hereunder) and to manage, operate and use the same and every part thereof with the rights and franchises appertaining thereto and to collect, receive, take, use and enjoy the rents, earnings, income, issues and profits thereof.

SECTION 11.02. If (a) when all of the Bonds shall become due and payable at maturity, upon call for redemption, by declaration, or otherwise, the Company shall pay or cause to be paid the whole amount of the principal and premium, if any, and interest owing on all of the Bonds then outstanding, or shall provide for the payment of such Bonds by depositing such amount with the Corporate Trustee as trust funds, or shall deliver to the Corporate Trustee for cancellation all Bonds and coupons not theretofore cancelled, or (b) prior to all of the Bonds having become due and payable, the Company shall deposit with the Corporate Trustee as trust funds an amount sufficient to pay or redeem all Bonds at the time issued and outstanding, together with the interest thereon to maturity or the date of redemption, and, in case any Bonds are to be

redeemed, furnish proof satisfactory to the Corporate Trustee that notice of redemption of such Bonds has been given as provided in Article Three hereof, or make arrangements satisfactory to the Corporate Trustee that such notice will be so given, and if, in either such event, the Company shall pay or cause to be paid all other sums payable hereunder by the Company—then, and in any such case, upon delivery to the Corporate Trustee of a Certified Resolution expressing the Company's election that action be taken under this Section 11.02, all property, rights and interests hereby conveyed, assigned or pledged shall revert to the Company, its successors or assigns, and the estate, right, title, and interest of the Trustees shall thereupon cease and determine and become void; and the Trustees in any such case shall execute an instrument of release and satisfaction of this Indenture, and shall assign and transfer or cause to be assigned and transferred, and shall deliver or cause to be delivered to the Company, its successors and assigns (subject to the rights in respect thereof, if any, of the trustee or trustees under any other mortgage or other instrument of the Company), all cash and pledged securities which may then be in the possession of the Corporate Trustee, except moneys deposited as provided in this Article Eleven, and all property then held hereunder by the Trustees, and shall deliver to the Company orders for the payment of any moneys deposited with other depositories as provided in this Indenture; otherwise, this Indenture shall remain in full force and effect.

Notwithstanding the definition of the term "outstanding" contained in Section 1.01 hereof, for the purposes of this Section 11.02, the term "outstanding" shall be deemed to include all Bonds held in the treasury of the Company.

ARTICLE TWELVE.

CONSOLIDATION, MERGER, CONVEYANCE AND LEASE.

SECTION 12.01. Nothing in this Indenture or in any Bond shall prevent the consolidation or merger of the Company with or into any other corporation lawfully entitled to acquire and operate the trust estate or the conveyance or lease by the Company of the trust

as a whole, or substantially as a whole, to any other such corporation, provided, however, that

(1) every such consolidation, merger, conveyance or lease shall be on such terms as shall fully preserve the lien and security of this Indenture and the rights and powers of the Trustees and of the holders of the Bonds hereunder and every such lease shall be made expressly subject to termination by the Company or by the Trustees at any time upon the occurrence and during the continuance of an Event of Default and also by the purchaser of the property so leased at any sale thereof hereunder;

(2) immediately upon such consolidation, merger, conveyance or lease the Successor Corporation shall, by indenture supplemental hereto, expressly assume the due and punctual payment of the principal of and interest on all of the Bonds according to their tenor and purport and the due and punctual performance of all the terms and conditions of this Indenture and of any indenture supplemental hereto to be kept and performed by the Company; and

(3) in the case of any such lease, the Company shall also remain obligated for the due and punctual payment of the principal of and interest on all of the Bonds according to their tenor and purport and the due and punctual performance of all the terms and conditions of this Indenture and of any indenture supplemental hereto to be kept and performed by the Company.

For the purposes of this Article Twelve the term "Successor Corporation" shall mean any corporation resulting from any such consolidation or surviving in any such merger or any corporation to which any such conveyance or lease shall be made.

SECTION 12.02. If any supplemental indenture provided for in Section 12.01 hereof does not contain an express grant by the Successor Corporation, as further security for all Bonds, of all of its property and franchises then owned or which it may thereafter acquire, it shall contain

(1) a grant by the Successor Corporation confirming the prior lien of this Indenture upon the trust estate;

(2) a covenant by the Successor Corporation that all property and franchises thereafter acquired by it and necessary to the full and complete performance of any covenant herein contained relating to the maintenance and upkeep of the trust estate, to the supplying of adequate Equipment, machinery, tools and supplies, to the making of all needful and proper repairs, renewals and replacements and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof, or of any other covenant herein, shall be conclusively deemed to be acquired by it in performance of such covenant and to have become subject to the lien of this Indenture; and

(3) a covenant by the Successor Corporation to keep the trust estate, so far as practicable, readily identifiable; and a stipulation that the Trustees shall not be taken impliedly to waive, by accepting or joining in the supplemental indenture, any rights they would otherwise have.

Section 12.03. In case the Company shall be consolidated with or merged into or shall make a conveyance or lease to any other corporation as permitted and upon the terms provided in Section 12.01 hereof, the Successor Corporation, upon executing and delivering to the Trustees, and causing to be recorded, the supplemental indenture provided for in Section 12.01 hereof, shall succeed to and be substituted for the Company with the same force and effect as if it had been named in and had executed this Indenture as the party of the first part hereto, and shall have and possess and may exercise, subject to the terms and conditions of this Indenture, each and every power, authority and right herein reserved to or conferred upon the Company; and thereupon the Successor Corporation may cause to be signed and may issue, either in its own name or in the name of the Company, and under the corporate seal of either the Company or the Successor Corporation, any and all Bonds which shall not theretofore have been signed by the Company and delivered to the Corporate Trustee for authentication; and the Corporate Trustee, upon the request of the Successor Corporation, and subject to all the terms, conditions and limitations prescribed in this Indenture, shall authenticate any and all Bonds which previously shall have been signed by the Company

and delivered to the Corporate Trustee for authentication, and any Bonds which the Successor Corporation shall thereafter cause to be signed and delivered to the Corporate Trustee for such purposes, and deliver the same to the Successor Corporation or upon its order.

SECTION 12.04. All Bonds issued by any Successor Corporation shall in all respects have the same rank and security as the Bonds theretofore issued in accordance with the terms of this Indenture by the Company. In case of any such consolidation, merger, conveyance or lease such changes in phraseology and form (but not in substance) may be made in the Bonds and coupons thereafter to be issued as may be appropriate to reflect any such consolidation, merger, conveyance or lease.

The Trustees may receive an Opinion of Counsel as conclusive evidence that any consolidation, merger, conveyance or lease, and any supplemental indenture delivered to the Trustees pursuant to the provisions of Section 12.01 hereof, comply with the provisions of this Article Twelve.

ARTICLE THIRTEEN.

SUPPLEMENTAL INDENTURES.

SECTION 13.01. The Company, when authorized by resolution of the Board of Directors, and the Trustees, from time to time and at any time, may, without any authorization or consent of bondholders, enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes:

(1) to correct the description of any property hereby conveyed, transferred and assigned, or intended so to be, or to convey, transfer and assign to the Trustees and to subject to the lien of this Indenture, with the same force and effect as though included in the Granting Clauses hereof, additional property then owned by the Company;

(2) to pledge with or assign to the Trustees and to subject to the lien of this Indenture securities of other corporations;

(3) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by any such Successor Corporation of the covenants and obligations of the Company under this Indenture;

(4) to add to the covenants of the Company such further covenants as the Board of Directors shall consider to be for the protection of the trust estate and of the holders of Bonds, and to make the occurrence and continuance of a default under any of such additional covenants an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture, *provided, however*, that in respect of any such additional covenant such supplemental indenture may provide for a particular period of grace after default which may be shorter or longer than allowed in the case of other defaults or may permit an immediate enforcement upon such default or may limit the remedies available to the Trustees upon such default;

(5) to establish the amount, terms, provisions and conditions of a particular series of Bonds then about to be issued, and to prescribe the forms of such Bonds and the coupons appertaining thereto, all as provided by Section 1.02 hereof;

(6) to make any modifications herein or in the form of any Bonds or coupons which may be required by law;

(7) to provide additional or other restrictions and limitations upon the issue of Bonds or additional covenants and undertakings of the Company with respect thereto;

(8) to permit Bonds issuable under this Indenture to be appropriately renamed and references in any such Bonds to this Indenture appropriately to be altered, all in such manner as appropriately to reflect any improvement in the character or priority of the lien of this Indenture; and

(9) for any other purpose not inconsistent with the terms of this Indenture, or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provision contained herein or in any supplemental indenture.

SECTION 13.02. The Trustees are authorized to join with the Company in the execution of any such supplemental indenture, to

make any further agreements and stipulations which may be therein contained, not inconsistent with the provisions of this Indenture, and to accept the conveyance, transfer and assignment of any property thereunder.

SECTION 13.03. The Trustees are also authorized to join with the Company in the execution of any supplemental indenture authorized by action taken in accordance with the provisions of Article Fourteen hereof.

SECTION 13.04. The Company agrees to furnish to the Trustees upon the execution and delivery of each supplemental indenture, whether pursuant to the provisions of this Article Thirteen or any other provision of this Indenture, and the Trustees shall be fully protected in relying upon an Opinion of Counsel that the execution of such supplemental indenture is authorized by, and is in compliance with, the provisions of this Indenture.

SECTION 13.05. Each supplemental indenture shall be recorded, in such offices, if any, as may then be required by law in such place or places, if any, as may be necessary to effectuate the lien of this Indenture upon any property conveyed to the Trustees by such supplemental indenture or to protect the lien of this Indenture upon the property theretofore subject to the lien hereof. Within nine months after the execution of each supplemental indenture the Company shall deliver to the Corporate Trustee an Opinion of Counsel stating that such supplemental indenture has been duly recorded as stated in such Opinion of Counsel and that no additional recording is requisite under the provisions of this Indenture or, as the case may be, that such supplemental indenture is not required to be recorded under the provisions of this Indenture.

ARTICLE FOURTEEN.

POWERS OF BONDHOLDERS.

The holders of 66 2/3% in aggregate principal amount of Bonds then outstanding to be affected by any action proposed to be taken

(such Bonds being hereinafter sometimes collectively called the "Affected Bonds") may

(1) authorize the Trustees to join with the Company in making any change in the lien of this Indenture or any other modification in or addition to any provisions of this Indenture or the rights and obligations of the Company or the rights of the holders of all or any series of the Bonds and appurtenant coupons under this Indenture, provided that no modification of or addition to the provisions of this Indenture which, in the opinion of the Corporate Trustee, shall affect the rights, duties or immunities of the Trustees under this Indenture may be made without its written consent;

(2) sanction any compromise with the Company of the rights of the bondholders against the Company or against its property whether such rights shall arise under the provisions of this Indenture or otherwise;

(3) cause the Trustees to release from the lien of this Indenture any of the mortgaged property with or without compliance with the provisions of Article Five hereof, with or without the consent of the Company and whether or not any Events of Default shall have happened or be continuing;

(4) sanction any plan for the reorganization, readjustment or liquidation of the Company;

(5) authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the mortgaged property any securities of any corporation formed or to be formed; and

(6) waive any default on the part of the Company, other than the non-payment of any principal of the Bonds issued under this Indenture or any interest thereon when due, respectively, upon such terms as may be approved by such bondholders;

provided, however, that the bondholders shall have no power to (a) extend the maturity of any Bonds or reduce the rate of interest thereon or otherwise modify the terms of payment of principal (or for than a modification of the provisions of any sinking fund established in respect of any Bonds) or interest without the con-

sent of the holder of each Affected Bond, or (b) without the consent of the holders of all Bonds, effect a reduction of the percentage required by this Article Fourteen for any action authorized to be taken by the bondholders pursuant to this Article Fourteen. The consent of the bondholders to the taking of any action provided for in this Article Fourteen shall be evidenced as provided in Section 9.01 hereof.

If the taking of any such action would affect the rights of the holders of the Bonds of more than one series, but would not affect such rights in the same manner or to the same extent, the consent of holders of 66⅔% in principal amount of the affected Bonds of each such differently affected series shall be necessary for the taking of the action in question; *provided, however*, that the modification of the terms of the Bonds of a particular series in any respect shall be deemed to affect only the Bonds of such series and the modification of the terms of a part of a series of Bonds shall be deemed to affect only such part of such series.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the manner and extent, if any, to which any action taken pursuant to this Article Fourteen affects the rights of the holders of Bonds of any of the series of Bonds outstanding or of any part of a series of Bonds outstanding.

Bonds authenticated and delivered after the taking of any action pursuant to this Article Fourteen may bear a notation in form approved by the Corporate Trustee as to any such action, and upon the demand of the holder of any Affected Bond outstanding at the date of the taking of any such action and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any such action. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees and the Board of Directors, to any action taken pursuant to this Article Fourteen, shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with

all coupons not previously payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

ARTICLE FIFTEEN.

BONDHOLDERS' MEETINGS.

SECTION 15.01. The Corporate Trustee may at any time call a meeting of bondholders and shall from time to time call such a meeting on the Request of the Company, made pursuant to a resolution of the Board of Directors, or on a written request signed by the holders of at least 10% in aggregate principal amount of the outstanding Affected Bonds, provided that the Corporate Trustee shall be furnished at the time of any such request with an amount sufficient to defray the cost of publishing and mailing notice of such meeting in accordance with the provisions of Section 15.02 hereof. Every such written request shall set forth the purposes of such meeting in reasonable detail. Every such meeting of bondholders shall be held in the Borough of Manhattan, City and State of New York.

SECTION 15.02. Notice of every such meeting, setting forth in reasonable detail the purpose thereof, shall be given by publishing the same once each week for 3 successive weeks in one Qualified Newspaper the first publication to be not less than 45 nor more than 60 days prior to the date fixed for the meeting. A copy of such notice shall also be sent by mail, within said period, to the holders of registered Affected Bonds and to the holders of coupon Affected Bonds registered as to principal, at their last addresses appearing upon the Registry Books. The place, date and hour of holding such meeting, the persons who shall act as chairman and secretary of the meeting and the dates of publishing such notice shall be determined by the Corporate Trustee in its discretion.

SECTION 15.03. Notwithstanding any other provisions of this Indenture, the Corporate 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 in regard to 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 9.02 hereof and the appointment of any proxy shall be proved in the manner specified in said Section 9.02 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker or trust company or other depository authorized by said Section 9.02 to certify to the holding of Bonds transferable by delivery.

Subject to the provisions of Section 9.03 hereof, 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. At any meeting of bondholders, the presence of persons holding or representing Affected Bonds in an aggregate principal amount sufficient to take action on any business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of bondholders duly called pursuant to the provisions of Section 15.01 hereof may be adjourned from time to time, by vote of the holders of a majority in aggregate principal amount of the Affected Bonds represented at the meeting and entitled to vote, whether or not a quorum be then present at such meeting, and the meeting may be held as so adjourned without further notice.

The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

SECTION 15.04. At any such meeting at which there shall be a quorum, the holders of the Affected Bonds shall have the power to give any notice to the Company or to the Trustees, and to give any directions to the Trustees, and to take any action authorized to be taken by or on behalf of the holders of any specified percentage in aggregate principal amount of the outstanding Affected Bonds under Article Fourteen hereof or under any other provision of this Indenture or under applicable law.

SECTION 15.05. The vote upon any resolution shall be by ballot, and the 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 every such meeting 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 of 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 15.02 hereof. The record shall be signed and verified by the affidavits of the chairman and secretary of the meeting, and one of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or action stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 15.06. Any resolution adopted in accordance with the provisions of Section 15.04 hereof at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and upon their successors or assigns, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns.

ARTICLE SIXTEEN.

MISCELLANEOUS PROVISIONS.

SECTION 16.01. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provision of this Indenture shall be cremated or otherwise destroyed, subject to such rules and regulations, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation or other destruction shall be by the Corporate Trustee or an agent designated by it. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 16.02. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company, any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee or such Paying Agent, before being required to make any such

repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date specified therein any unclaimed balance of such moneys then remaining will be repaid to the Company to be published twice in a Qualified Newspaper.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 16.03. In any case where the date fixed for payment of interest or premium on, or principal of, any Bond shall be a Saturday or a Sunday or shall be a legal holiday at the place where payment thereof is to be made, or shall be a date on which banking organizations at the place where such payment is to be made are authorized by law to close, then payment thereof may be made on the next succeeding business day with the same force and effect as if made on the nominal date of payment, and no interest shall accrue for the period after such nominal date.

SECTION 16.04. Anything herein contained to the contrary notwithstanding, the lien hereby created on chattels in the State of Kansas, whether now owned or hereafter acquired, shall, irrespective of the aggregate principal amount of Bonds at the time outstanding, not be for an amount exceeding \$450,000,000 in such State.

SECTION 16.05. Nothing in this Indenture expressed or implied is intended or shall 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 or in respect of this Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 16.06. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at

the following rate or rates per annum: so long as there shall be a rediscount rate of the Federal Reserve Bank of New York, such interest shall be at the current rediscount rate of such Federal Reserve Bank plus $1\frac{1}{2}\%$; *provided, however*, that such interest shall be not less than $3\frac{1}{2}\%$ or more than 8% per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank of New York, such interest shall be at the rate of 6% per annum.

SECTION 16.07. Any Opinion of Counsel may be based, in so far as it relates to factual matters, information with respect to which is in possession of the Company, upon the certificate of an officer or officers of the Company, unless such counsel knows or in the exercise of reasonable care should have known that such certificate is erroneous.

SECTION 16.08. Morgan Guaranty Trust Company of New York, and Jacob M. Ford II, parties of the second part thereto, hereby accept the trust in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

SECTION 16.09. The headings of the several Articles hereof and the statements contained in the Table of Contents prefixed hereto are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16.10. This Indenture may be executed in several counterparts, each of which shall be an original, and all collectively shall constitute but one instrument, which shall be sufficiently proved by the production of any one of said counterparts.

IN WITNESS WHEREOF, Burlington Northern Inc., the party of the first part, has caused this Indenture to be signed and acknowledged by its Chairman of the Board or its President or one of its Vice Presidents, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries; and Morgan Guaranty Trust Company of New York, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by one of its Vice Presidents or Trust Officers, and its corporate seal to be affixed

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hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries; and Jacob M. Ford II, one of the parties of the second part, has hereto set his hand and seal, all as of the day and year first above written.

BURLINGTON NORTHERN INC.

By [Signature]
Vice President

[CORPORATE SEAL]

Attest:

[Signature]
Assistant Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By [Signature]
Trust Officer

[CORPORATE SEAL]

Attest:

[Signature]
Assistant Secretary

[Signature] [L. S.]

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

[Signature]
[Signature]
Attesting Witnesses

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me J. A. TAUER and F. A. DEMING, personally known to me and personally known to me to be a Vice President and an Assistant Secretary, respectively, of Burlington Northern Inc., one of the corporations described in and which executed the foregoing instrument, and known to me to be the same persons who subscribed their names to and executed said instrument as such Vice President and Assistant Secretary, respectively, who, being by me severally duly sworn, did, each for himself, depose and say and acknowledge that the said J. A. TAUER resides at 1847 Stanford Avenue, St. Paul, Minnesota, and that the said F. A. DEMING resides at 1362 Eldridge Avenue W., St. Paul, Minnesota; that said J. A. TAUER is Vice President and said F. A. DEMING is Assistant Secretary of Burlington Northern Inc., a corporation; that the corporate seal affixed to the foregoing instrument as the seal of said corporation is such corporate seal; that said seal was affixed thereto and that said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth; and they severally acknowledged to me said instrument to be the free and voluntary act and deed of said corporation, and that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

(Notarial Seal)



Frank Schlief

NOTARY PUBLIC
STATE OF NEW YORK
COUNTY OF NEW YORK
COMMISSION EXPIRES 12/31/74

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me R. E. SPARROW and J. THOMAS CLARK, personally known to me and personally known to me to be a Trust Officer and an Assistant Secretary, respectively, of Morgan Guaranty Trust Company of New York, one of the corporations described in and which executed the foregoing instrument, and known to me to be the same persons who subscribed their names to and executed said instrument as such Trust Officer and Assistant Secretary, respectively, who, being by me severally duly sworn, did, each for himself, depose and say and acknowledge that the said R. E. SPARROW resides at 496 Dorchester Road, Ridgewood, New Jersey, and that the said J. THOMAS CLARK resides at 164-20 Highland Avenue, Jamaica, New York; that said R. E. SPARROW is Trust Officer and said J. THOMAS CLARK is an Assistant Secretary of Morgan Guaranty Trust Company of New York, a corporation; that the corporate seal affixed to the foregoing instrument as the seal of said corporation is such corporate seal; that said seal was affixed thereto and that said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Trust Officer and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth; and they severally acknowledged to me said instrument to be the free and voluntary act and deed of said corporation, and that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

(Notarial Seal)

Frank Schlief
.....

NOTARY PUBLIC
EAST NEW YORK, City of New York
No. 00-401473
Qualified in Westchester County
Certificate filed in New York County
Commission Expires March 30, 1971

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me in said County JACOB M. FORD II, personally known to me and known to me to be the individual and the same person who is described in and who subscribed his name to and who executed the foregoing instrument, who, being by me duly sworn, deposed and said that he resides at 2929 Lovers Lane, St. Joseph, Missouri; that he signed, sealed, executed and delivered the said instrument freely and voluntarily, and as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

(Notarial Seal)

Frank Schlief

FRANK SCHLIERF
NOTARY PUBLIC, State of New York
No. 60-3503450
Qualified in Westchester County
Certificate filed in New York County
Commission Expires March 30, 1971

EXHIBIT A

Description of the lines of railroad subject to the Lien of the Consolidated Mortgage of Burlington Northern Inc. dated March 2, 1970:

GROUP A: Main Lines of railroad having an aggregate length of approximately 6,933.36 miles:

Part I: Owned or operated by Great Northern Railway Company prior to March 2, 1970:

	Approximate Length in Miles
Item (1). From the beginning of the track at the St. Paul Union Depot Company in Saint Paul, Minnesota, extending in a general northwesterly direction via Minneapolis depot, Willmar and Breckenridge, Minnesota; Casselton, Absaraka, New Rockford, Minot and Williston, North Dakota; Bainsville, Havre, Chester, Shelby and Troy, Montana; Bonners Ferry, Idaho; and Spokane, Wenatchee and Everett, Washington to a point at Bell Street in Seattle, Washington, a total distance, including 0.60 miles owned by others and used pursuant to agreement, of	1771.94
Item (2). From a point on the line described in Item (1) of this Group A at University Switch in Minneapolis, Minnesota extending in a general northwesterly direction via Minneapolis Junction, Elk River, St. Cloud, Barnesville and Moorhead, Minnesota; and Fargo, North Dakota to a connection with the line described in Item (1) of this Group A at Nolan, North Dakota, a distance of	274.85
Item (3). From a connection with the line described in Item (1) of this Group A at First Street North in Minneapolis, extending in a general northeasterly direction to a connection with the line described in Item (2) of this Group A at Minneapolis Junction in Minneapolis, Minnesota, a distance of	2.05

Approximate
Length in
Miles

Item (4). From a connection with the line described in Item (2) of this Group A at Coon Creek, Minnesota extending in a general northerly direction via Brook Park, Minnesota and Superior, Wisconsin to Saint Louis Bay at Superior, Wisconsin, a distance of 133.95

Item (5). From a connection with the line described in Item (4) of this Group A at Saunders, Wisconsin extending in a general northeasterly direction to its terminus at Allouez, Wisconsin, a distance of 6.26

Item (6). From a connection with the line described in Item (1) of this Group A at Lyndale Junction, in Minneapolis, Minnesota, extending in a general northwesterly direction via Osseo, Minnesota, to a connection with the line described in Item (2) of this Group A at Saint Cloud, Minnesota, a distance of 63.07

Item (7). From a connection with the line described in Item (2) of this Group A at East Saint Cloud, Minnesota, extending in a general northeasterly direction to a connection with the line described in Item (4) of this Group A at Brook Park, Minnesota, a distance of 58.52

Item (8). From a connection with the line described in Item (2) of this Group A at Saint Cloud, Minnesota, extending in a general southwesterly direction to a connection with the line described in Item (1) of this Group A at Willmar, Minnesota, a distance of 55.65

Item (9). From a connection with the line described in Item (1) of this Group A at Willmar, Minnesota, extending in a general southeasterly direction via Marshall, Minnesota; Garretson, South Dakota; and Hills, Minnesota to its terminus at Douglas Street in Sioux City, Iowa, a distance of 223.92

Approximate
Length in
Miles

Item (10). From a connection with the line described in Item (2) of this Group A at Barnesville, Minnesota, in a general northerly direction via Ada, Crookston and Noyes, Minnesota and Portage Junction, Manitoba, to the Union Depot at Winnipeg, Manitoba, a total distance, including 66.46 miles owned by others and used pursuant to agreement, of 238.69

Item (11). From a connection with the line described in Item (10) of this Group A at Portage Junction, in Winnipeg, Manitoba, extending in a general westerly direction to a connection with the line described in Item (26) of Group B of this description at Saint James Junction, in Winnipeg, Manitoba, a total distance, including 1.86 miles owned by others and used pursuant to agreement, of 1.86

Item (12). From a connection with the line described in Item (4) of this Group A at Boylston, Wisconsin, extending, in a general westerly direction via Cloquet, Swan River and Grand Rapids, Minnesota, to a connection with the line described in Item (1) of Group C of this description at Schley, Minnesota, a distance of 140.22

Item (13). From a connection with the line described in Item (1) of Group C of this description at Bemidji, Minnesota, in a general westerly direction, to a connection with the line described in Item (10) of this Group A at Crookston, Minnesota, a distance of 91.21

Item (14). From a connection with the line described in Item (10) of this Group A at Crookston, Minnesota, in a general westerly direction via Grand Forks, Ojata, Lakota, Devils Lake and Rugby, North Dakota, to a connection with the line described in Item (1) of this Group A at Surrey, North Dakota, a distance of 225.39

Item (15). From a connection with the line described in Item (1) of this Group A at Wahpeton, North Dakota, extending in a general northerly direction to a connection with the line described in Item (2) of this Group A at Moorhead, Minnesota, a distance of 42.91

Approximate
Length in
Miles

Item (16). From a connection with the line described in Item (2) of this Group A at Fargo, North Dakota, extending in a general northerly direction via Hillsboro, North Dakota, to a connection with the line described in Item (14) of this Group A at Grand Forks, North Dakota, a distance of 76.25

Item (17). From a connection with the line described in Item (1) of this Group A at Pacific Junction, Montana, extending in a general southwesterly direction via Fort Benton, Great Falls and Helena, Montana, to Wyoming Avenue in Butte, Montana, a distance of 299.66

Item (18). From a connection with the line described in Item (1) of this Group A at Shelby, Montana extending in a general southeasterly direction to a connection with the line described in Item (2) of Group C of this description at Vaughn, Montana, a distance of 87.11

Item (19). From a connection with the line described in Item (2) of Group C of this description at Emerson Junction, Montana, extending in a general southeasterly direction to a connection with the line described in Item (17) of this Group A at Great Falls, Montana, a distance of 3.00

Item (20). From a connection with the line described in Item (17) of this Group A at Great Falls, Montana, extending in a general southeasterly direction to Mossburn, Montana, a distance of 223.29

Item (21). From a connection with the line described in Item (1) of this Group A at Everett Junction, Washington extending in a general northerly direction via Long Siding and Blaine, Washington and New Westminster, British Columbia to the Passenger Station at Vancouver, British Columbia, a total distance, including 1.61 miles owned by others and used pursuant to agreement, of 122.35

Approximate
Length in
Miles

Item (22). From a connection with the line described in Item (1) of this Group A at Lowell, Washington, extending in a general northerly direction to the depot at Lowell, Washington, a distance of 0.27

Item (23). From a connection with the line described in Item (21) of this Group A at Delta Junction, Washington extending in a general southeasterly direction to Twentieth Street in Everett, Washington, a distance of... 1.86

Item (24). From a connection with the line described in Item (1) of this Group A near Thirty-Fourth Street at Everett, Washington, extending in a general northeasterly direction to State Street in Everett, Washington, a distance of 0.88

Part II: Owned or operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (25). Beginning at Ashland, Wisconsin, and extending by way of Superior, Wisconsin; Brainerd, Minnesota; Helena, DeSmet, Evaro and Paradise, Montana; and Auburn and Tacoma, Washington, to Vancouver, Washington, and connecting at Vancouver with the line described in Item (3) of Group C of this description, a distance of 2087.01

Item (26). From a connection with the line described in Item (3) of Group C of this description, at Willbridge, Oregon, extending easterly to a connection with the trackage of the Spokane, Portland and Seattle Railway Company and of the Northern Pacific Terminal Company at Portland, Oregon, a distance of 3.56

Approximate
Length in
Miles

Item (27). From a connection with the lines described in Item (26) of this Group A at Willbridge, Oregon, and extending northwesterly to Goble, Oregon (which line is leased to the Spokane, Portland and Seattle Railway Company), a distance of 35.49

Item (28). Beginning at Duluth, Minnesota, and extending southerly, by way of Carlton and White Bear, Minnesota, to St. Paul, Minnesota, known as St. Paul and Duluth Short Line, a distance of 152.08

Item (29). From a connection with the line described in Item (25) of this Group A, at points near Central Avenue in Superior, Wisconsin, extending northerly across St. Louis Bay, to connections on Rice's Point, Duluth, Minnesota, with the line described in Item (28) of this Group A, a distance of 7.71

Item (30). From a connection with the line described in Item (25) of this Group A, at or near Anton, Wisconsin, and extending westerly to connections with the said main line at a point situated about .05 of one mile east of the boundary line between Wisconsin and Minnesota, a distance of 3.12

Item (31). From connections with the tracks of the St. Paul Union Depot Company, near Third Street in St. Paul, Minnesota, and extending northwesterly by way of East Minneapolis, Northtown Junction and Little Falls, Minnesota, to connections with the line described in Item (25) of this Group A at Staples, Minnesota, a distance of 139.07

Item (32). Beginning at a point situated near Broadway and Prince Streets in St. Paul, Minnesota, and extending eastwardly and northwardly to a point near Mississippi Street, in St. Paul, Minnesota, known as Line A St. Paul, a distance of 1.14

Approximate
Length in
Miles

Item (33). From a connection with the line described in Item (31) of this Group A, at St. Anthony Park in St. Paul, Minnesota, extending westerly across the Mississippi River, to connections with the tracks of the Chicago and Northwestern Railway Company, near 20th Avenue South in Minneapolis, Minnesota, a distance of 2.85

Item (34). Beginning at a point at the Terminal Yard on the west side of the Mississippi River, in Minneapolis, Minnesota, extending northerly and easterly across said river to connections with the line described in Item (31) of this Group A, at Northtown, Minnesota, a distance of 3.41

Item (35). From a connection with the line described in Item (31) of this Group A, at Little Falls, Minnesota, extending northerly to connections with the line described in Item (25) of this Group A at Brainerd, Minnesota, a distance of 30.82

Item (36). From a connection with the line described in Item (25) of this Group A, at Logan, Montana, extending westerly and northwardly by way of Butte, Montana, to connections with the line described in Item (25) of this Group A at Garrison, Montana, a distance of 121.60

The Company's tenure of that portion of said main line extending from Butte to Garrison, Montana, a distance of 52.01 miles, being a lease for a period of 999 years from August 1, 1886, as described in Item (12) of Exhibit C.

Item (37). From a connection with the line described in Item (25) of this Group A, at DeSmet, Montana, extending westerly by way of St. Regis, Montana, to connections with the line described in Item (25) of this Group A at Paradise, Montana, a distance of 92.15

Item (38). From connections with the line described in Item (25) of this Group A, at Auburn, Washington, extending northerly to connections near King Street and Alaskan Way, Seattle, Washington, with the line described in Item (43) of this Group A and with the line described in Item (139) of Group B of this description, a distance of 22.17 miles; also a line connecting therewith at Holgate Street, Seattle, Washington, and extending 2.28 miles northerly, via King Street Passenger Station, Seattle, Washington, to a connection with a line described in Item (1) of this Group A at Bell Street, Seattle, Washington, an aggregate distance of 24.45

Item (39). From a connection near Observation, Washington, with the line described in Item (25) of this Group A, extending westerly to a connection with the line described in Item (25) of this Group A, west of the depot at Tacoma, Washington, a distance of 1.67

Item (40). From a connection west of depot at Tacoma, Washington, with the line described in Item (25) of this Group A, extending along the shore of Commencement Bay to Point Defiance, Tacoma, Washington, and thence southerly to a connection at or near Tenino, Washington, with the line described in Item (25) of this Group A, a distance of 42.73

Item (41). Connections from the Soo Line Railroad Company to the line described in Item (25) of this Group A at Trout Brook Junction, Minnesota, and to the line described in Item (28) of this Group A at Gloster, Minnesota, a distance of 0.27

Item (42). From a connection with the line described in Item (25) of this Group A at Gibbon, Washington, extending northwesterly by way of Granger, Washington, to a connection with the line described in Item (25) of this Group A at Parker, Washington, a distance of 45.88

Approximate
Length in
Miles

Item (43). From a connection with the line described in Item (38) of this Group A, at Argo, Washington, extending northerly via Colorado Street to a connection with the line described in Item (38) of this Group A at King Street in Seattle, Washington, a distance of 3.19

GROUP B: Branch Lines of railroad, having an aggregate length of approximately 7,041.34 miles:

Part I: Owned or operated by Great Northern Railway Company prior to March 2, 1970:

Item (1). From a connection with the line described in Item (1) of Group A of this description at Minneapolis, Minnesota, in a general southwesterly direction to its terminus at Hopkins, Minnesota, a distance of 4.43

Item (2). From a connection with the line described in Item (1) of Group A of this description at Wayzata, Minnesota, in a general southwesterly direction to its terminus at Hutchinson, Minnesota, a distance of 44.11

Item (3). From a connection with the line described in Item (1) of Group A of this description at Benson, Minnesota, in a general southwesterly direction via Watertown, South Dakota to its terminus at Huron, South Dakota, a distance of 161.34

Item (4). From a connection with the line described in Item (9) of Group A of this description at Garretson, South Dakota in a general southwesterly direction via Sioux Falls, South Dakota to its terminus at Yankton, South Dakota, a total distance of 81.55

Approximate
Length in
Miles

Item (5). From a connection with the line described in Item (3) of this Group B at Watertown, South Dakota, in a general southeasterly direction to a connection with the line described in Item (4) of this Group B at Sioux Falls, South Dakota, a total distance, including 1.92 miles owned by others and used pursuant to agreement, of 102.13

Item (6). From a connection with the line described in Item (1) of Group A of this description at Morris, Minnesota, in a general westerly direction to its terminus at Browns Valley, Minnesota, a distance of 47.21

Item (7). From a connection with the line described in Item (1) of Group A of this description at Aberdeen Line Junction, Minnesota, in a general westerly direction to a connection with the line described in Item (4) of Group C of this description at Aberdeen Line Junction, Minnesota, a distance of 0.44

Item (8). From a connection with the line described in Item (4) of Group C of this description at Geneseo, North Dakota, in a general westerly direction via Rutland, North Dakota to its terminus at Forbes, North Dakota, a distance of 75.09

Item (9). From a connection with the line described in Item (8) of this Group B at Rutland, North Dakota, in a general southwesterly direction to its terminus at Aberdeen, South Dakota, a distance of 64.07

Item (10). From a connection with the line described in Item (6) of Group A of this description, northwest of Clearwater, Minnesota, in a general northerly direction to its terminus at Tileston Mill, Minnesota, a distance of 2.51

Item (11). From a connection with the line described in Item (2) of Group A of this description at Elk River, Minnesota, in a general northerly direction, via Zimmerman, Minnesota, to a connection with the line described in Item (7) of Group A of this description at Milaca, Minnesota, a distance of 31.82

Approximate
Length in
Miles

Item (12). From a connection with the line described in Item (2) of Group A of this description at Sauk Centre, Minnesota, in a general northerly direction, via Wadena, Minnesota, to a connection with the line described in Item (1) of Group C of this description at Cass Lake, Minnesota, a distance of 14.01

Item (13). From a connection with the line described in Item (2) of Group A of this description at Fergus Falls, Minnesota, in a general northerly direction, to its terminus at Pelican Rapids, Minnesota, a distance of 21.65

Item (14). From a connection with the line described in Item (2) of Group A of this description at Moorhead, Minnesota, in a general northerly direction via Halstad, Minnesota, to a connection with the line described in Item (10) of Group A of this description at Crookston, Minnesota, a distance of 66.02

Item (15). From a connection with the line described in Item (12) of Group A of this description at Gunn, Minnesota, in a general northeasterly direction via Coleraine, Holman Junction, Kelly Lake, Hibbing, Kirk, Wolf and Shelton, Minnesota to its terminus at Virginia, Minnesota, a total distance, including 30.13 miles owned by others and used pursuant to agreement, of 64.52

Item (16). From a connection with the line described in Item (15) of this Group B at Emmert Junction, Minnesota, in a general northeasterly direction, to its terminus at Elliott Siding, Minnesota, a distance, including 4.49 miles owned by others and used pursuant to agreement, of 15.11

Item (17). From a connection with the line described in Item (15) of this Group B near Virginia, Minnesota, in a general southwesterly direction, to its terminus at Wacootah Mine, Minnesota, a distance of 2.25

Item (18). From a connection with the line described in Item (12) of Group A of this description at Brookston, Minnesota, in a general northwesterly direction via Casco, Minnesota, to a connection with the line described in Item (15) of this Group B at Kelly Lake, Minnesota, a distance of	49.87
Item (19). From a connection with the line described in Item (16) of this Group B at St. Clair Junction, Minnesota, in a general northwesterly direction, to its terminus at Ohisholm, Minnesota, a total distance, including 1.02 miles owned by others and used pursuant to agreement, of	2.30
Item (20). From connections with the line described in Item (15) of this Group B between Gunn, Minnesota, and Hibbing, Minnesota, various mine spurs having a total length of	28.67
Item (21). From a connection with the line described in Item (12) of Group A of this description at Seyton, Minnesota, in a general southwesterly direction to its terminus at Tioga Mine, Minnesota, a distance of	3.79
Item (22). From a connection with the line described in Item (13) of Group A of this description at Tilden Junction, Minnesota, in a general northeasterly direction, a distance of	0.18
Item (23). From Red Lake Falls Junction, Minnesota, in a general northeasterly direction via Roseau, Minnesota, to its terminus at Warroad, Minnesota, a distance of	104.43
Item (24). From a connection with the line described in Item (1) of Group A of this description at Addison, North Dakota, in a general westerly direction, to its terminus at Chaffee, North Dakota, a distance of	11.79

Approximate
Length in
Miles

Item (25). From a connection with the line described in Item (1) of Group A of this description at Casselton, North Dakota, in a general northeasterly direction via Amenla, North Dakota, to a connection with the line described in Item (2) of Group A of this description at Vance, North Dakota, a distance of 9.64

Item (26). From a connection with the line described in Item (11) of Group A of this description at Saint James Junction in Winnipeg, Manitoba, in a general northeasterly direction to its terminus at Pauline Street in Winnipeg, Manitoba, a total distance, including 0.75 miles owned by others and used pursuant to agreement, of 6.39

Item (27). From a connection with the line described in Item (2) of Group A of this description at Vance, North Dakota, in a general northwesterly direction via Mayville, North Dakota, to a connection with the line described in Item (14) of Group A of this description at Larimore, North Dakota, a distance of 65.83

Item (28). From a connection with the line described in Item (2) of Group A of this description at Erie Junction, North Dakota, in a general northwesterly direction to its terminus at Clifford, North Dakota, a distance of 18.09

Item (29). From a connection with the line described in Item (27) of this Group B at Portland Junction, North Dakota, in a general southeasterly direction to its terminus at Portland, North Dakota, a distance of 4.68

Item (30). From a connection with the line described in Item (2) of Group A of this description at Nolan, North Dakota, in a general northwesterly direction via Aneta, North Dakota, to a connection with the line described in Item (14) of Group A of this description at Devils Lake, North Dakota, a distance of 101.28

Item (31). From a connection with the line described in Item (14) of Group A of this description at P.A. Tower in Grand Forks, North Dakota, in a general northwesterly direction via Grafton, North Dakota, to a connection with the Canadian Pacific Railway Company at the International Boundary Line between the United States and the Dominion of Canada north of Neche, North Dakota, a distance of 80.67

Item (32). From a connection with the line described in Item (31) of this Group B at Grafton, North Dakota, in a general northwesterly direction to its terminus at Walhalla, North Dakota, a distance of 48.51

Item (33). From a connection with the line described in Item (14) of Group A of this description at Hannah Junction, North Dakota, in a general northwesterly direction via Langdon, North Dakota, to its terminus at Hannah, North Dakota, a distance of 95.17

Item (34). From a connection with the line described in Item (14) of Group A of this description at Lakota, North Dakota, in a general northwesterly direction via Edmore, North Dakota, to its terminus at Sarges, North Dakota, a distance of 73.14

Item (35). From a connection with the line described in Item (14) of Group A of this description at Devils Lake, North Dakota, in a general northwesterly direction via Rock Lake, North Dakota, to its terminus at Hansboro, North Dakota, a distance of 66.26

Item (36). From a connection with the line described in Item (14) of Group A of this description at Church's Ferry, North Dakota, in a general northwesterly direction via Rolla, North Dakota, to its terminus at St. John, North Dakota, a distance of 55.02

Approximate
Length in
Miles

Item (37). From a connection with the line described in Item (14) of Group A of this description at York, North Dakota, in a general northwesterly direction via Rolette, North Dakota, to its terminus at Dunseith, North Dakota, a distance of	42.13
Item (38). From a connection with the line described in Item (14) of Group A of this description at Rugby, North Dakota, in a general northwesterly direction via Bottineau, North Dakota, to its terminus at Antler, North Dakota, a distance of	80.76
Item (39). From a connection with the line described in Item (14) of Group A of this description at Towner, North Dakota, in a general northwesterly direction via Upham, North Dakota, to its terminus at Maxbass, North Dakota, a distance of	46.02
Item (40). From a connection with the line described in Item (14) of Group A of this description at Granville, North Dakota, in a general northwesterly direction via Mohall, North Dakota, to its terminus at Sherwood, North Dakota, a distance of	61.82
Item (41). From a connection with the line described in Item (1) of Group A of this description at Minot, North Dakota, in a general northwesterly direction to its terminus at Talmán, North Dakota, a distance of	16.74
Item (42). From a connection with the line described in Item (1) of Group A of this description at Berthold, North Dakota, in a general northwesterly direction via Niobe, North Dakota, to a connection with the line described in Item (5) of Group C of this description at Lig-nite Junction, North Dakota, a distance of	56.96

Item (43). From a connection with the line described in Item (42) of this Group B at Niobe, North Dakota, in a general northerly direction via Bowbells, North Dakota, to a connection with the Canadian National Railways at the International Boundary Line between the United States and the Dominion of Canada north of Northgate, North Dakota, a distance of 21.70

Item (44). From a connection with the line described in Item (1) of Group A of this description at Stanley, North Dakota, in a general northwesterly direction via Wildrose, North Dakota, to its terminus at Grenora, North Dakota, a distance of 87.03

Item (45). From a connection with the line described in Item (1) of Group A of this description at Bainville, Montana, in a general northwesterly direction, via Scooby, Montana, to its terminus at Opheim, Montana a distance of 145.65

Item (46). From a connection with the line described in Item (1) of Group A of this description at Snowden, Montana, in a general southwesterly direction, via Fairview, Montana, to Sidney, Montana, a distance of 24.87

Item (47). From Newlon Junction, Montana, in a general westerly direction to its terminus at Richey, Montana, a distance of 45.37

Item (48). From a connection with the line described in Item (46) of this Group B at Fairview, Montana, in a general easterly direction, to its terminus at Watford City, North Dakota, a distance of 37.45

Item (49). From a connection with the line described in Item (1) of Group A of this description at Glasgow, Montana, in a general northerly direction, to its terminus at Glasgow Air Base, Montana, a distance of 18.30

Approximate
Length in
Miles

Item (50). From a connection with the line described in Item (1) of Group A of this description at Saco, Montana, in a general northwesterly direction via Tattnall, Montana, to its terminus at Hogeland, Montana, a distance of

77.34

Item (51). From a connection with the line described in Item (1) of Group A of this description at Shelby, Montana, in a general northerly direction to its terminus at the International Boundary Line between the United States and the Dominion of Canada north of Sweet Grass, Montana, a distance of

36.96

Item (52). From a connection with the line described in Item (1) of Group A of this description at Columbia Falls, Montana, in a general southeasterly direction via Kalispell, Montana, to its terminus at Somers, Montana, a distance of

24.80

Item (53). From a connection with the line described in Item (20) of Group A of this description at Moccasin, Montana, in a general easterly direction to a connection with the line described in Item (6) of Group C of this description at Spring Creek Junction, Montana, a distance of

21.70

Item (54). From a connection with the line described in Item (6) of Group C of this description at Lewistown, Montana, in a general westerly direction to its terminus at Lewistown, Montana, a distance of

1.30

Item (55). From a connection with the line described in Item (20) of Group A of this description at Gerber, Montana, in a general southwesterly direction to its terminus at Brown Spur, Montana, a distance of

4.38

Item (56). From a connection with the line described in Item (19) of Group A of this description at Great Falls, Montana, in a general northerly direction to the terminus of the smelter tracks at Great Falls, Montana, a distance of

4.94

Item (57). From a connection with the line described in Item (7) of Group C of this description at Dracont Junction, Montana, in a general southwesterly direction to its terminus at Augusta, Montana, a distance of 36.63

Item (58). From a connection with the line described in Item (18) of Group A of this description at Power, Montana, in a general northwesterly direction to a connection with the line described in Item (8) of Group C of this description at Eastham Junction, Montana, a distance of 21.09

Item (59). From a connection with the line described in Item (8) of Group C of this description at Choteau, Montana, in a general northwesterly direction to its terminus at Pendroy, Montana, a distance of 23.31

Item (60). From a connection with the line described in Item (1) of Group A of this description at Bonners Ferry, Idaho, in a general northwesterly direction to its terminus at Port Hill, Idaho, a distance of 25.84

Item (61). From a connection with the line described in Item (1) of Group A of this description at Albeni Falls Spur, Idaho, in a general northwesterly direction to its terminus, a distance of 1.57

Item (62). From a connection with the line described in Item (1) of Group A of this description at Dean, Washington, in a general northeasterly direction via Kettle Falls, Washington and Troup Junction, British Columbia to Nelson, British Columbia, a total distance, including 6.06 miles owned by others and used pursuant to agreement, of 186.48

Item (63). From a connection with the line described in Item (62) of this Group B at Kettle Falls, Washington, in a general northwesterly direction via Grand Forks, British Columbia, to its terminus at Republic, Washington, a distance of 80.85

	Approximate Length In Miles
Item (64). From a connection with the line described in Item (1) of Group A of this description, at Spokane, Washington in a general southeasterly direction to its terminus at Coeur d'Alene, Idaho, a total distance, including 6.67 miles owned by others and used pursuant to agreement, of	32.30
Item (65). From a connection with the line described in Item (64) of this Group B at Spokane, Washington, in a general southerly direction via Spring Valley, Washington, to its terminus at Manning, Washington, a total distance, including 32.33 miles owned by others and used pursuant to agreement, of	74.99
Item (66). From a connection with the line described in Item (65) of this Group B at Spring Valley, Washington in a general southeasterly direction to its terminus at Moscow, Idaho, a distance of	50.80
Item (67). From a connection with the line described in Item (65) of this Group B at West Fairfield, Washington, in a general northerly direction to its terminus at Mt. Hope, Washington, a distance of	5.94
Item (68). From a connection with the line described in Item (1) of Group A of this description at Hillyard, Washington, in a general westerly direction to its terminus at Spokane, Washington, a distance of	3.91
Item (69). From a connection with the line described in Item (1) of Group A of this description at Fairchild, Washington, in a general southeasterly direction to its terminus at Geiger Field, Washington, a distance of	8.33
Item (70). From a connection with the line described in Item (1) of Group A of this description at Columbia River, Washington, in a general northeasterly direction to its terminus at Mansfield, Washington, a distance of	60.74

Approximate
Length in
Miles

Item (71). From a connection with the line described in Item (1) of Group A of this description at Wenatchee, Washington, in a general northerly direction via Okanogan, Washington, to its terminus at Keromeos, British Columbia, a distance of 174.68

Item (72). From Anacortes, Washington, in a general easterly direction via Burlington, Washington, to its terminus at Concrete, Washington, a distance of 48.41

Item (73). From a connection with the line described in Item (21) of Group A of this description, at New Westminster, British Columbia, Dominion of Canada, in a general southwesterly direction along Front Street to its terminus at New Westminster, British Columbia, a distance of 1.21

Item (74). From a connection with the line described in Item (21) of Group A of this description, at Vancouver, British Columbia, in a general northerly direction to its terminus at Burrard Inlet in Vancouver, British Columbia, a distance of 1.14

Item (75). From a connection with the line described in Item (1) of Group A of this description at Mukilteo, Washington, extending in an easterly direction to its terminus at a point east of Mukilteo, Washington, a distance of 2.08

Item (76). From a connection with the line described in Item (21) of Group A of this description at Stanwood, Washington, extending in a general westerly direction to its terminus at a point west of Stanwood, Washington, a distance of 2.37

Item (77). From a connection with the line described in Item (21) of Group A of this description at Intaleo, Washington, extending in a general westerly direction to its terminus at Lake Terrell, Washington, a distance of 8.47

Item (78). From a connection with the line described in Item (21) of Group A of this description at Townsend, British Columbia, extending in a general westerly direction to a connection with the line described in Item (9) in Group C of this description, a distance of42

Item (79). From a connection with the line described in Item (18) of Group A of this description at Montana Western Junction, Montana, extending in a general north-westerly direction to its terminus at Valier, Montana, a distance of 17.51

Part II: Owned or operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (80). From a connection with the line described in Item (28) of Group A of this description, in West Duluth, Minnesota, extending easterly across St. Louis Bay to and into West Superior, Wisconsin, a distance of 3.76

Item (81). From a connection with the line described in Item (28) of Group A of this description, in West Duluth Junction, Minnesota, extending in a southerly and westerly direction to New Duluth, Minnesota, a distance of 6.55

Item (82). From a connection with the line described in Item (25) of Group A of this description, in Carlton, Minnesota, and extending northerly to Cloquet, Minnesota, a distance of 6.79

Item (83). From a connection with the line described in Item (28) of Group A of this description, at White Bear Lake, Minnesota, extending easterly to Stillwater, Minnesota, a distance of 12.73

Item (84). From a connection with the line described in Item (28) of Group A of this description, near White Bear Lake, Minnesota, and extending westerly to East Minneapolis, Minnesota, a distance of 13.63

Approximate
Length in
Miles

Item (85). From a connection with the line described in Item (31) of Group A of this description, in Little Falls, Minnesota, extending westerly to Morris, Minnesota, a distance of 87.04

Item (86). From a connection with the line described in Item (25) of Group A of this description, at Brainerd, Minnesota, extending northerly to International Falls, Minnesota, and a sub-branch therefrom, extending from Funkley, Minnesota, northerly to Kelliher, Minnesota, an aggregate distance of 212.03

Item (87). From a connection with the line described in Item (25) of Group A of this description, at Wadena, Minnesota, extending westerly through Fergus Falls, Minnesota, to Oakes, North Dakota, a distance of 151.08

Item (88). From a connection with the line described in Item (25) of Group A of this description, at Manitoba Junction, Minnesota, extending northerly through Crookston, Minnesota, and Grand Forks, North Dakota, to the International Boundary Line between the United States and the Dominion of Canada, a distance of 190.39

Item (89). From a connection with the line described in Item (13) of Group A of this description, at Tilden Junction, Minnesota, extending northerly and westerly to a junction with the line described in Item (88) of this Group B, at Carthage Junction, Minnesota, a distance of 43.88

Item (90). From a connection with the line described in Item (89) of this Group B, at Key West, Minnesota, extending northerly to Sherack, Minnesota, a distance of 6.13

Item (91). From a connection with the line described in Item (25) of Group A of this description, at Casselton, North Dakota, extending southwesterly to Marion, North Dakota, a distance of 60.13

	Approximate Length in Miles
Item (92). From a connection with the line described in Item (25) of Group A of this description, at Fargo, North Dakota, extending southwesterly to Edgeley and Streeter, North Dakota, a distance of	148.51
Item (93). From a connection with the line described in Item (87) of this Group B, at Fairview Junction, North Dakota, extending to Great Bend, North Dakota, a distance of	8.82
Item (94). From a connection with the line described in Item (25) of Group A of this description, at Sanborn, North Dakota, extending northerly to McHenry, North Dakota, a distance of	62.88
Item (95). From a connection with the line described in Item (25) of Group A of this description, at Jamestown, North Dakota, extending southerly to LaMoure, North Dakota, a distance of	47.92
Item (96). From a connection with the line described in Item (92) of this Group B, at Independence, North Dakota, extending southerly to Oakes, North Dakota, a distance of	15.26
Item (97). From a connection with the line described in Item (25) of Group A of this description, at Jamestown, North Dakota, extending northerly to Leeds, North Dakota, a distance of	103.24
Item (98). From a connection with the line described in Item (97) of this Group B, at Pingree, North Dakota, extending westerly to Wilton, North Dakota, a distance of	92.81
Item (99). From a connection with the line described in Item (97) of this Group B, at Carrington, North Dakota, extending westerly to Turtle Lake, North Dakota, a distance of	85.02

Approximate
Length in
Miles

Item (100). From a connection with the line described in Item (97) of this Group B, at Oberon, North Dakota, extending northwestly to Esmond, North Dakota, a distance of	28.08
Item (101). From a connection with the line described in Item (25) of Group A of this description, at McKenzie, North Dakota, extending southerly to Linton, North Dakota, a distance of	44.21
Item (102). From a connection with the line described in Item (25) of Group A of this description, at Mandan, North Dakota, extending northerly and westerly to Killdeer, North Dakota, a distance of	121.37
Item (103). From a connection with the line described in Item (25) of Group A of this description, at Mandan, North Dakota, extending southerly and westerly via St. Anthony to Mott, North Dakota, a distance of	99.51
Item (104). From a connection with the line described in Item (25) of Group A of this description, near Glendive, Montana, extending northeasterly along the Yellowstone River valley to Sidney, Montana, a distance of	54.40
Item (105). From a connection with the line described in Item (25) of Group A of this description, at Laurel, Montana, extending southerly to Red Lodge, Montana, a distance of	44.17
Item (106). From a connection with the line described in Item (105) of this Group B, at Silesia, Montana, extending to Bridger, Montana, a distance of	19.62
Item (107). From a connection with the line described in Item (25) of Group A of this description, at Mission, Montana, extending northerly to Willall, Montana, a distance of	22.98

Approximate
Length in
Miles

Item (108). From a connection with the line described in Item (25) of Group A of this description, at Livingston, Montana, extending southerly to Gardiner, Montana, a distance of 54.25

Item (109). From a connection with the line described in Item (25) of Group A of this description, at Manhattan, Montana, extending southerly to Anceney, Montana, a distance of 16.20

Item (110). From a connection with the line described in Item (36) of Group A of this description, at Sappington, Montana, extending southerly to Norris, Montana, a distance of 21.33

Item (111). From a connection with the line described in Item (36) of Group A of this description, at Whitehall, Montana, extending southerly to Alder, Montana, a distance of 45.59

Item (112). From a connection with the line described in Item (25) of Group A of this description, at Drummond, Montana, extending southerly to Philipsburg, Montana, a distance of 25.95

Item (113). From a connection with the line described in Item (25) of Group A of this description, at Missoula, Montana, extending southerly to Darby, Montana, a distance of 65.43

Item (114). From a connection with the line described in Item (37) of Group A of this description, at St. Regis, Montana, and extending westerly to Wallace, Idaho, a total distance, including 18.48 miles between St. Regis and Haagan, Montana, owned by others and used pursuant to agreement, of 58.22

Item (115). From a connection with the line described in Item (25) of Group A of this description, at Hauser, Idaho, extending southerly to Coeur d'Alene, Idaho, a distance of 13.39

	Approximate Length in Miles
Item (116). From a connection with the line described in Item (25) of Group A of this description, at Marshall, Washington, extending southerly to Lewiston, Idaho, a distance of	139.72
Item (117). From a connection with the line described in Item (116) of this Group B, at Arrow, Idaho, extending easterly and southerly to Stites, Idaho, a distance of	62.95
Item (118). From a connection with the line described in Item (116) of this Group B, at Spalding, Idaho, extending southerly to Grangeville, Idaho, a distance of	60.79
Item (119). From a connection with the line described in Item (116) of this Group B, at Pullman, Washington, extending southerly to Genesee, Idaho, a distance of	27.64
Item (120). From a connection with the line described in Item (25) of Group A of this description, at Cheney, Washington, extending westerly to Odair and Coulee City, Washington, and from Odair, Washington, southerly to Adrian, Washington, an aggregate distance of	128.60
Item (121). From a connection with the line described in Item (120) of this Group B, at Dayenport, Washington, extending easterly to Eleanor, Washington, a distance of	17.92
Item (122). From a connection with the line described in Item (25) of Group A of this description, at Pasco, Washington, extending southerly to Wallula, Washington, a total distance, including 1.61 miles owned by others as described in Exhibit C, and 7.05 miles jointly owned with others as described in Item (12) of Group C of this description, of	14.70
Item (123). From a connection with the line described in Item (13) of Group C of this description, at Attalia, Washington, extending easterly to Dayton, Washington, a distance of	86.09

	Approximate Length in Miles
Item (124). From a connection with the line described in Item (123) of this Group B, at Eureka Junction, Washington, extending northeasterly to Pleasant View, Washington, a distance of	19.73
Item (125). From a connection with the line described in Item (123) of this Group B, at Tracy Junction, Washington, and extending easterly to Tracy, Washington, a distance of	3.79
Item (126). From a connection with the line described in Item (14) of Group C of this description, at Zangar Junction, Washington, extending southerly to Pendleton, Oregon, a distance of	35.66
Item (127). From a connection with the line described in Item (126) of this Group B, at Smeltz, Oregon, extending southeasterly to Athena, Oregon, a distance of	14.53
Item (128). From a connection at Snake River Junction, Washington, with the Spokane, Portland and Seattle Railway, extending easterly to Monumental, Washington, a distance of	14.48
Item (129). From a connection with the line described in Item (25) of Group A of this description, at Connell, Washington, extending northerly to a connection with the line described in Item (120) of this Group B, at Adco, Washington, a distance of	61.21
Item (130). From a connection with the line described in Item (129) of this Group B, at Bussett Junction, Washington, extending easterly to Schrag, Washington, a distance of	12.54
Item (131). From a connection with the line described in Item (25) of Group A of this description, at Yakima, Washington, extending northwesterly to Naches, Washington, a distance of	13.07

Approximate
Length in
Miles

Item (132). From a connection with the line described in Item (131) of this Group B, at Brace, Washington, extending northwesterly to Tieton, Washington, a distance of	11.68
Item (133). From a connection with the line described in Item (25) of Group A of this description, at Yakima, Washington, extending southeasterly to Moxee City, Washington, a distance of	8.73
Item (134). From a connection with the line described in Item (25) of Group A of this description, at Toppenish, Washington, and extending westerly to White Swan, Washington, a distance of	19.99
Item (135). From a connection with the line described in Item (25) of Group A of this description, at Cle Elum, Washington, extending northerly and westerly to Ronald, Washington, a distance of	6.10
Item (136). From a connection with the line described in Item (25) of Group A of this description, at Palmer Junction, Washington, extending southerly and westerly to a connection with the line described in Item (25) of Group A of this description, at Meeker, Washington, a distance of	33.15
Item (137). From a connection with the line described in Item (136) of this Group B, at Cascade Junction, Washington, extending southerly to Carbonado, Washington, a distance of	9.78
Item (138). From a connection with the line described in Item (136) of this Group B, at Orting, Washington, extending southerly to Lake Kapowsin, Washington, a distance of	16.03
Item (139). From a connection with the line described in Item (36) of Group A of this description, at King Street, Seattle, Washington, extending northerly to the International Boundary Line between the United States and the Dominion of Canada, a distance of	126.91

Approximate
Length in
Miles

Item (140). From a connection with the line described in Item (139) of this Group B, at Woodinville, Washington, extending easterly to North Bend, Washington, a distance of	38.43
Item (141). From a connection with the line described in Item (1) of Group A of this description, near Lowell, Washington, extending to a connection with the line described in Item (1) of Group A of this description, at Delta, Washington, a distance of	1.49
Item (142). From a connection with the line described in Item (38) of Group A of this description, at Black River, Washington, extending northerly along the east shore of Lake Washington to a junction with the line described in Item (139) of this Group B, at Woodinville, Washington, a distance of	24.12
Item (143). From a connection with the line described in Item (139) of this Group B, at Arlington, Washington, extending easterly to Darrington, Washington, a distance of	28.30
Item (144). From a connection with the line described in Item (139) of this Group B, at Wickersham, Washington, extending westerly to Bellingham, Washington, a distance of	22.03
Item (145). From a connection with the line described in Item (25) of Group A of this description, at Lakeview, Washington, extending southwesterly through Olympia to a connection with the line described in Item (146) of this Group B, at Gate, Washington, a distance of	40.36
Item (146). From a connection with the line described in Item (25) of Group A of this description, at Centralia, Washington, extending westerly through Gats and South Aberdeen, Washington, to Markham, Washington, a distance of	61.14

Approximate
Length in
Miles

Item (147). From a connection with the line described in Item (146) of this Group B, at Elma, Washington, extending northeasterly to Stimson, Washington, a distance of	10.30
Item (148). From a connection with the line described in Item (146) of this Group B, at Aberdeen Junction, Washington, extending northwesterly to Modips, Washington, a distance of	34.28
Item (149). From a connection with the line described in Item (146) of this Group B, at South Aberdeen Junction, Washington, extending to Cosmopolis Junction, Washington, a distance of	2.08
Item (150). From a Connection with the line described in Item (25) of Group A of this description, at Chehalis Junction, Washington, extending westerly to South Bend, Washington, a distance of	56.65
Item (151). From a connection with the line described in Item (25) of Group A of this description, at Vancouver Junction, Washington, extending northeasterly to Rye, Washington, a distance of	3.67
Item (152). From a connection with the line described in Item (31) of Group A of this description, near 18th Avenue and Quincy Street, Minneapolis, Minnesota, extending westerly to a connection with the line described in Item (34) of Group A of this description, near 19th Avenue N.E. and California Street, Minneapolis, Minnesota, a distance of	0.85
Item (153). From a connection with the line described in Item (25) of Group A of this description, at Berea, North Dakota, extending easterly to Valley City, North Dakota, a distance of	6.20

	Approximate Length in Miles
Item (154). From a connection with the line described in Item (25) of Group A of this description, at Beach, North Dakota, extending southerly to Carlyle, Montana, a distance of	20.23
Item (155). From a connection with the line described in Item (104) of this Group B, near Glendive, Montana, extending northwesterly to Brockway, Montana, a distance of	62.02
Item (156). From a connection with the line described in Item (25) of Group A of this description, at Nichols, Montana, extending southerly to Jow Creek, Montana, a distance of	30.35
Item (157). From a connection with the line described in Item (20) of Group A of this description, at Hesper, Montana, extending northwesterly to Rapelje, Montana, a distance of	38.19
Item (158). From a connection with the line described in Item (25) of Group A of this description, at Dixon, Montana, extending northerly to Polson, Montana, a distance of	32.94
Item (159). From a connection with the line described in Item (25) of Group A of this description, to a connection with Union Pacific Railroad at Kennewick, Washington, a distance of	0.28
Item (160). From a connection with the line described in Item (139) of this Group B, at Edgecomb, Washington, extending southerly to a connection with the line described in Item (21) of Group A of this description, at Kruse, Washington, a distance of	3.83
Item (161). From a connection with the line described in Item (139) of this Group B, to a connection with the line described in Item (1) of Group A of this description, all at Bromart, Washington, a distance of	1.19

GROUP C: The present undivided right, title and interest of the Company in each of the railways and tracks owned by it jointly or in common with other corporations, having an aggregate length of main tracks of approximately 37.94 miles, and of branch tracks of an aggregate length of approximately 126.92 miles designated as follows, to wit:

Main Tracks

Part I: Owned or operated by Great Northern Railway Company prior to March 2, 1970:

	Approximate Length in Miles
Item (1). From a connection with the line described in Item (12) of Group A of this description at Schley, Minnesota in a general westerly direction to a connection with the line described in Item (13) of Group A of this description at Bemidji, Minnesota, owned jointly with the Soo Line Railroad Company, a distance of	24.29
Item (2). From a connection with the line described in Item (18) of Group A of this description at Vaughn, Montana, extending in a general southeasterly direction to a connection with the line described in Item (19) of Group A of this description at Emerson Junction, Montana, owned jointly with the Chicago, Milwaukee, Saint Paul and Pacific Railroad, a distance of	9.27

Part II: Owned or operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (3). From a connection with the line described in Item (25) of Group A of this description, at Vancouver, Washington, extending southerly across the Columbia and Willamette Rivers to connections with the lines described in Items (26) and (27) of Group A of this description, at Willbridge, Oregon, owned jointly with the Spokane, Portland and Seattle Railway Company, a distance of.....	5.38
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Branch Tracks

Part I: Owned or operated by Great Northern Railway Company prior to March 2, 1970:

Approximate
Length in
Miles

Item (4). From a connection with the line described in Item (7) of Group B of this description at Aberdeen Line Junction, Minnesota, in a general westerly direction to a connection with the line described in Item (8) of Group B of this description at Geneseo, North Dakota, owned jointly with the Soo Line Railroad Company, a distance of 44.96

Item (5). From a connection with the line described in Item (42) of Group B of this description at Lignite Junction, North Dakota, in a general northwesterly direction via Noonan, North Dakota, to a connection with the Soo Line Railroad Company at Crosby, North Dakota, owned jointly with the Soo Line Railroad Company, a distance of 32.48

Item (6). From a connection with the line described in Item (53) of Group B of this description at Spring Creek Junction, Montana, in a general easterly direction to a connection with the line described in Item (54) of Group B of this description at Lewistown, Montana, owned jointly with the Chicago, Milwaukee, St. Paul and Pacific Railroad, a distance of 9.17

Item (7). From a connection with the line described in Item (2) of this Group C at Vaughn, Montana, in a general southwesterly direction to a connection with the line described in Item (57) of Group B of this description at Draut Junction, Montana, owned jointly with the Chicago, Milwaukee, St. Paul and Pacific Railroad, a distance of 5.74

Approximate
Length in
Miles

Item (8). From a connection with the line described in Item (58) of Group B of this description, at Eastham Junction, Montana, in a general northwesterly direction, to a connection with the line described in Item (59) of Group B of this description, at Choteau, Montana, owned jointly with the Chicago, Milwaukee, St. Paul and Pacific Railroad, a distance of 6.86

Item (9). From a connection with the line described in Item (78) of Group B of this description at Townsend, British Columbia to Tilbury Island, a distance of 3.68

Part IX: Owned or operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (10). From a connection with the line described in Item (25) of Group A of this description, at Deerwood, Minnesota extending in a northwesterly direction to Iron-ton, Minnesota and to various mines, owned jointly with the Soo Line Railroad Company, an aggregate distance of 18.28

Item (11). From a connection with the line described in Item (101) of Group B of this description, to a connection with the Chicago, Milwaukee, St. Paul and Pacific Railroad, all at Linton, North Dakota, owned jointly with the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a distance of 1.10

Item (12). From a connection with the line described in Item (122) of Group B of this description, at Villard Junction, Washington, to a connection with the Union Pacific Railroad at Attalia, Washington, a distance of 7.05 miles owned jointly with Union Pacific Railroad Company, which distance is included in the length shown for the line described in Item (122) of Group B of this description in order to preserve the continuity of that line

Approximate
Length in
Miles

Item (13). From a connection with the line described in Item (122) of Group B of this description, at Attalia, Washington, extending easterly to a connection with the line described in Item (123) of Group B of this description, at Attalia, Washington, owned jointly with Union Pacific Railroad Company, a distance of 0.27

Item (14). From a connection with the line described in Item (122) of Group B of this description, at Wallula, Washington, extending southerly to a connection with the line described in Item (126) of Group B of this description, at Zangar Junction, Washington, owned jointly with Union Pacific Railroad Company, a distance of 3.71

Item (15). From a connection with the line described in Item (149) of Group B of this description, at Cosmopolis Junction, Washington, extending southeasterly to Cosmopolis, Washington, owned jointly with Chicago, Milwaukee, St. Paul and Pacific Railroad Company and Union Pacific Railroad Company, a distance of 0.67

Items (1) to (24), inclusive, of Main Line mileage in Group A above and Items (1) to (79), inclusive (except Items (26) and (64) to (67), inclusive) of Branch Line mileage in Group B above, together with the appurtenances thereof, are subject to the Great Northern Mortgage, as a lien superior to the lien of this Indenture.

Items (25) to (43), inclusive (except Items (28), (40), (41) and a 21.85 mile portion of Item (37), between St. Regis, Montana and Paradise, Montana), of Main Line mileage in Group A above; Items (80) to (159), inclusive (except Items (80), (82), (83), (84), (98), (102), (103), (104), (107), (109), (117), (118), (120), (123), to (134), inclusive, and (154) to (158), inclusive), of Branch Line mileage in Group B above; and Items (3), (11), (12), (14), and (16) of jointly owned mileage in Group C above; together with the appurtenances thereof, are subject to the Northern Pacific Prior

Lien Mortgage and also are subject to the Northern Pacific General Lien Mortgage, as liens superior to the lien of this Indenture.

§ Items (28) and (41) of Main Line mileage in Group A above, and Items (80) to (93) inclusive, of Branch Line mileage in Group B above, together with the appurtenances thereof, are subject to the St. Paul-Duluth Division Mortgage, and to the mortgages underlying said Mortgages, as liens superior to the lien of this Indenture.

EXHIBIT B

Shares of capital stock owned by the Company and pledged with or assigned to the Corporate Trustee, as follows:

(1) 3,396 shares of the common stock of The Lake Superior Terminal & Transfer Railway Company (except 40 shares held by directors), being 66 $\frac{2}{3}$ per cent of the entire amount of said company's issued and outstanding capital stock.

(2) 1,826 shares of the capital stock of The Minnesota Transfer Railway Company, being 22.29 per cent of the entire amount of said company's issued and outstanding capital stock.

(3) 2,072 shares of the capital stock of The Saint Paul Union Depot Company, being 25 per cent of the entire amount of said company's issued and outstanding capital stock.

(4) 3,000 shares of the capital stock of the Duluth Union Depot and Transfer Company, being 100% of the entire amount of said company's issued and outstanding capital stock.

1,678 shares of the aforesaid capital stock of The Lake Superior Terminal and Transfer Railway Company, 913 shares of the aforesaid capital stock of the Minnesota Transfer Railway Company, and 1,036 shares of the aforesaid capital stock of the Saint Paul Union Depot Company, included in the number of shares of capital stock of the aforesaid companies, are all subject to the Great Northern Mortgage, as a lien superior to the lien of this Indenture.

913 shares of the aforesaid capital stock of the Minnesota Transfer Railway Company, 437.5 shares of the aforesaid capital stock of the Saint Paul Union Depot Company, and 1,500 shares of the aforesaid capital stock of the Duluth Union Depot and Transfer Company, included in the number of shares of capital stock of the aforesaid companies, are all subject to the Northern Pacific Prior Lien Mortgage and to the Northern Pacific General Lien Mortgage, as liens superior to the lien of this Indenture.

250 shares of the aforesaid capital stock of the Duluth Union Depot and Transfer Company, included in the number of shares of capital stock of said company, are subject to the St. Paul-Duluth Division Mortgage and to the mortgages underlying said Mortgage, as liens superior to the lien of this Indenture.

1,250 shares of the aforesaid capital stock of the Duluth Union Depot and Transfer Company, included in the number of shares of capital stock of said company, are subject to the St. Paul and Duluth First and Second Mortgages, as liens superior to the lien of this Indenture.

EXHIBIT C

Description of leases and trackage agreements subject to the lien of the Consolidated Mortgage of Burlington Northern Inc. dated March 2, 1970.

Main Tracks

Part I: Operated by Great Northern Railway Company prior to March 2, 1970:

Item (1). With The Saint Paul Union Depot Company dated December 18, 1916, for a term of 99 years, covering use of approximately 0.60 miles at Saint Paul, Minnesota.

Item (2). With the Canadian National Railway Company dated April 30, 1912, for a term of 99 years, subject to termination on one year notice, covering use of approximately 66.46 miles from Emerson, Manitoba, to the Union Depot at Winnipeg, Manitoba.

Item (3). With the Canadian National Railway Company dated April 30, 1912, subject to termination on one year written notice, covering use of approximately 1.86 miles from Portage Junction, Manitoba to Saint James Junction in Winnipeg, Manitoba.

Item (4). With the Dominion of Canada dated August 1, 1944, from year to year, subject to termination by mutual consent, covering use of approximately 0.93 miles from Fraser River Junction, British Columbia to New Westminster, British Columbia.

Item (5). With the Oregon Trunk Railway dated December 31, 1927, for a term of 99 years, covering use of approximately 1.13 miles at Bend, Oregon.

Item (6). With the Canadian National Railway Company dated January 12, 1962, subject to termination on 90 days written notice, covering use of approximately 0.68 miles at Vancouver, British Columbia.

Part II: Operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (7). With The Lake Superior Terminal and Transfer Railway Company, dated October 15, 1883, for an indefinite period,

covering use of approximately 0.78 miles in Superior, Wisconsin, together with the right to use in common with other railway companies the passenger station and other facilities of said The Lake Superior Terminal and Transfer Railway Company for the passenger train business of the Company.

Item (8). With Duluth Union Depot and Transfer Company, dated August 27, 1890, for a term of 99 years, covering use of approximately 0.23 miles in Duluth, Minnesota, together with the right to use in common with other railway companies the passenger station and other facilities of said Duluth Union Depot and Transfer Company for the passenger train business of the Company.

Item (9). With The Saint Paul Union Depot Company, dated December 18, 1916, for a term of 99 years, covering use of approximately 0.57 miles at St. Paul, Minnesota.

Item (10). With Soo Line Railroad Company, dated February 1, 1913, for a term of 99 years from April 1, 1909, covering use of approximately 2.96 miles between Trout Brook Junction, Minnesota and Gloster, Minnesota.

Item (11). With Chicago and North Western Railway Company (successors in interest to Minneapolis and St. Louis Railway Company), dated November 1, 1894, for a term of 99 years, covering use of approximately 1.57 miles in Minneapolis, Minnesota.

Item (12). With Union Pacific Railroad Company (successors in interest to Utah and Northern Railway Company and Oregon Short Line Railroad Company), dated August 1, 1886, for a term of 999 years, covering use of approximately 52.01 miles between Butte, Montana and Garrison, Montana.

Item (13). With Northern Pacific Terminal Company, dated December 31, 1932, for a term of 25 years and thereafter until terminated by any party upon one year written notice, covering use of approximately 0.91 miles, together with the right to use in common with other railway companies the passenger station and other facilities of Northern Pacific Terminal Company, at Portland, Oregon.

Branch Tracks**Part I: Operated by Great Northern Railway Company prior to March 2, 1970:**

Item (14). With the Duluth, Missabe, and Iron Range Railway dated May 12, 1926, for a term of 99 years, subject to termination on six months written notice, covering use of approximately 4.71 miles between Coleraine, Minnesota and Holman, Minnesota.

Item (15). With the Duluth, Missabe and Iron Range Railway dated November 29, 1950, subject to termination on six months written notice, covering use of approximately 1.02 miles between St. Clair Junction, Minnesota and Chisholm, Minnesota.

Item (16). With the Duluth, Missabe, and Iron Range Railway dated October 27, 1959, in perpetuity, subject to termination on one year written notice in case of abandonment, covering use of approximately 25.42 miles between Hibbing, Minnesota and Virginia, Minnesota.

Item (17). With the Chicago, Milwaukee, St. Paul and Pacific Railroad, dated November 21, 1952, subject to termination on twelve months written notice, covering use of approximately 1.92 miles between East Junction, South Dakota and West Junction, South Dakota.

Item (18). With the Chicago, Milwaukee, St. Paul and Pacific Railroad dated January 25, 1945, in perpetuity, subject to termination on one year written notice in case of abandonment, covering use of approximately 6.67 miles between Spokane Bridge, Washington and Coeur d'Alene, Idaho.

Item (19). With the Canadian Pacific Railway, dated January 29, 1900, in perpetuity, covering use of approximately 6.06 miles between Troup Junction, British Columbia and Nelson, British Columbia.

Item (20). With the Union Pacific Railroad, dated September 26, 1950, subject to termination on six months written notice, covering use of approximately 32.33 miles between Spokane, Washington and Fairfield, Washington.

Item (21). With the Canadian Pacific Railway, dated October 31, 1935, for a term of 99 years, subject to termination on six months written notice, covering use of approximately 0.75 miles between Academy Avenue and Portage Avenue in Winnipeg, Manitoba.

Item (22). With the Oregon Trunk Railway, dated December 31, 1927, for a term of 99 years, covering use of approximately 85.40 miles between Wishram, Washington and South Junction, Oregon.

Item (23). With the Des Chutes Railroad, dated May 1, 1928, for a term of 99 years, subject to termination on one year written notice, covering use of approximately 24.00 miles between South Junction, Oregon and Metolius, Oregon.

Item (24). With the Oregon Trunk Railway, dated December 31, 1927, for a term of 99 years, covering use of approximately 41.50 miles between Metolius, Oregon and Bend, Oregon.

Item (25). With the Duluth, Missabe and Iron Range Railway, dated June 13, 1963, covering use of approximately 4.49 miles between Buhl, Minnesota and Sherwood, Minnesota.

Part II: Operated by Northern Pacific Railway Company prior to March 2, 1970:

Item (26). With The Lake Superior Terminal and Transfer Railway Company, dated October 15, 1883, for an indefinite period, covering use of approximately 0.32 miles in Superior, Wisconsin.

Item (27). With Chicago, Milwaukee, St. Paul and Pacific Railroad Company, dated January 20, 1934, for an indefinite period, covering use of approximately 18.48 miles between St. Regis, Montana and Haugan, Montana.

Item (28). With Union Pacific Railroad Company, dated September 1, 1909, for a term of 999 years, covering use of approximately 71.46 miles between Riparia, Washington and Lewiston, Idaho.

Item (29). With Spokane, Portland and Seattle Railway Company, dated October 8, 1909, for an indefinite period, subject to termination upon six months written notice, covering use of ap-

proximately 24.88 miles between Pasco, Washington and Snake River Junction, Washington, providing access to the Company's line described in Item (127) of Group B in Exhibit A. The initial 1.52 miles of this segment also provides access from Pasco, Washington, with the Company's line described in Item (121) of Group B in Exhibit A.

Item (30). With Union Pacific Railroad Company, dated November 6, 1947, for an indefinite period, subject to termination upon six months written notice, covering use of approximately 4.67 miles between Kennewick, Washington and Richland Junction, Washington.

Item (31). With United States Government, dated November 6, 1947, for an indefinite period, subject to termination upon six months written notice by the United States Atomic Energy Commission, covering use of approximately 10.12 miles between Richland Junction, Washington and Richland, Washington.

Item (32). With Union Pacific Railroad Company, dated May 2, 1936, for an indefinite period, covering use of approximately 2.01 miles at Pendleton, Oregon.

Item (33). With Union Pacific Railroad Company, dated December 4, 1951, for an indefinite period, covering use of approximately 0.18 miles at Attalia, Washington, providing access to the Company's line in Items (121) (0.09 mile) and (122) (0.09 mile) of Group B in Exhibit A.

Item (34). With Union Pacific Railroad Company, dated June 14, 1967, for a term ending on June 30, 2015, but subject to termination one year after written notice by Company, covering use of approximately 67.84 miles between Attalia, Washington and Riparia, Washington.

EXHIBIT D

THIS SUPPLEMENTAL INDENTURE, dated as of March 2, 1970, by and between BURLINGTON NORTHERN INC., a corporation of the State of Delaware, hereinafter called the "Company", party of the first part, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York, and JACOB M. FORD II of St. Joseph, Missouri, as Trustees, parties of the second part, hereinafter called the "Trustees";

WHEREAS, a certain Consolidated Mortgage, dated March 2, 1970, hereinafter called the "Mortgage", has been heretofore executed and delivered by the Company and by the Trustees; and an initial series of Bonds under the Mortgage, known as Bonds of Series A, has been authenticated and issued pursuant to the Mortgage; and

WHEREAS, Chicago, Burlington & Quincy Railroad Company, an Illinois corporation, is being merged into the Company contemporaneously herewith and Section 4.13 of Article Four of the Mortgage contains a covenant of the Company to enter into an indenture supplemental to the Mortgage in the form of Exhibit D annexed thereto contemporaneously with such merger; and

WHEREAS, this Supplemental Indenture is in the form of said Exhibit D and by the execution and delivery hereof the parties hereto desire to subject to the lien of the Mortgage certain properties of the Company acquired by reason of such merger as hereinafter described, subordinate, however, to the prior liens of the Chicago, Burlington & Quincy Railroad Company First and Refunding Mortgage dated February 1, 1921, as supplemented, and the Great Northern Railway Company General Gold Bond Mortgage dated January 1, 1921, as supplemented, all as more specifically hereinafter set forth.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That for and in consideration of the premises, and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States of America duly paid by the Trustees to the Company at

the time of delivery of this Supplemental Indenture, the receipt whereof is hereby acknowledged, for the same purposes as the original property described in or otherwise covered by the Mortgage, the Company has executed and delivered this Supplemental Indenture and has mortgaged, pledged, granted, given, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over and by these presents does mortgage, pledge, grant, give, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over unto the Trustees, and to their successor or successors in the trust and their assigns:

FIRST: All and singular the Company's right, title and interest on the date of this Supplemental Indenture in all lines of railroad owned by it, solely or jointly or in common with others, and acquired by the Company as a result of the merger of Chicago, Burlington & Quincy Railroad Company into the Company, including, specifically but not exclusively, the lines of railroad described in Exhibit D1 hereto.

SECOND: Any and all rights of way, easements, lands, tenements and hereditaments, fixtures, structures and improvements of whatever kind or description and wherever situated, now or hereafter owned by the Company and appurtenant to any of the Company's lines of railroad or other real property subject to the lien of the Mortgage pursuant to this Supplemental Indenture, including, without limitation, any and all main, branch, spur, industrial, switch, connecting, storage, yard or terminal tracks, superstructures, roadbeds, bridges, trestles, culverts, viaducts, buildings, depots, stations, stockyards, warehouses, elevators, earhouses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph, telephone and other communication facilities, fences, docks, structures and fixtures, and all other things of whatsoever kind appurtenant to any of the Company's lines of railroad or other real property, which is made subject to the lien of the Mortgage pursuant to this Supplemental Indenture. Nothing in this Granting Clause Second contained shall be deemed to subject to the lien of the Mortgage (i) any lands, or any interests therein,

not now used or hereafter acquired for use by the Company in railroad transportation service or (ii) any lands adjacent to lines of railroad, or any interests therein, now used or hereafter acquired for use by the Company for industrial purposes and not now used or hereafter acquired for use in railroad transportation service.

THIRD: All rights to the use of any and all telegraph, telephone or other communication facilities along the Company's lines of railroad subject to the lien of the Mortgage pursuant to this Supplemental Indenture, as they may be used from time to time or may be subject to use by the Company.

FOURTH: All right, title and interest of the Company in and to all Equipment, machinery, tools, implements, materials and supplies used or useful in the business of railroad transportation and assigned for use on or appurtenant to the Company's lines of railroad subject to the lien of the Mortgage pursuant to this Supplemental Indenture and now or hereafter owned by, or the title to which is vested in, the Company, including all right, title and interest vested in the Company in and to any and all such Equipment leased to or possessed by the Company under any equipment trust agreement and lease, conditional sale agreement, lease, or chattel mortgage.

FIFTH: All and singular the Company's right, title and interest on the date of this Supplemental Indenture or hereafter acquired in, to or under all leases and all trackage, joint facility and other operating contracts or agreements, and all amendments, renewals and extensions thereof, leasing or granting the right to use line of railroad (and appurtenant facilities) owned by others (including specifically but not exclusively the leases and trackage, joint facility and other operating contracts or agreements described in Exhibit D2 hereto) and appurtenant to any of the Company's lines of railroad subject to the lien of the Mortgage pursuant to this Supplemental Indenture, or relating to the ownership, use or operation of any terminals or stations (including union stations) situated along, or at the terminus of, any such lines of railroad; together with all and singular the Company's right, title and interest

on the date of this Supplemental Indenture or hereafter acquired in, to or under all leases and all trackage, joint facility and other operating contracts or agreements leasing or granting to others the right to use lines of railroad subject to the Mortgage pursuant to this Supplemental Indenture, and facilities appurtenant thereto, including any terminals or stations (including union stations) situated along, or at the terminus of, any such lines of railroad.

EXCEPTED PROPERTIES.

Anything hereinabove contained to the contrary notwithstanding, the Company excepts and reserves, out of the grants hereby made, the following:

(1) the last day of the term of each leasehold estate (oral or written, or any agreement therefor) subject to the lien of the Mortgage pursuant to this Supplemental Indenture and now or hereafter enjoyed by the Company;

(2) all Air Rights, provided that the use of such Air Rights does not unreasonably interfere with or adversely affect the use for railroad purposes of the surface of the earth beneath such Air Rights;

(3) all timber and all minerals, including coal, oil, gas, sulphur and other minerals, whether similar to the minerals herein specifically mentioned and whether now known to exist or hereafter discovered, and any right, title or interest of any character whatsoever in said timber and minerals upon, under or in any of the property at any time subject to the lien of the Mortgage pursuant to this Supplemental Indenture, and all structures, equipment and facilities used or provided in connection therewith, together with the right herein reserved in the Company of ingress and egress over, on or upon any of the property subject to the lien of the Mortgage pursuant to this Supplemental Indenture at any and all times for the purposes of developing, exploring for, drilling, mining, removing or processing said timber and minerals, subject to the limitation that the use of the property subject to the lien of the Mortgage pursuant to this Supplemental Indenture for railroad purposes may not be interfered with or adversely affected; *provided, however, that this exception and reservation shall not*

apply to any such property, or any such structures, equipment and facilities, or any such rights of ingress and egress, which shall have been Bonded otherwise than pursuant to the last sentence of the definition of Bonded in Section 1.01 of the Mortgage; and

(4) all certificates of public convenience and necessity and similar certificates and franchises for motor carrier operations and for water carrier operations, and all vehicles, boats, barges and other equipment, machinery, tools, implements, materials and supplies used in connection therewith.

TO HAVE AND TO HOLD the premises, railroads, railroad property and appurtenances, rights, privileges, franchises, estates, leaseholds, securities, and other property hereby conveyed, as a part of the "trust estate" under the Mortgage, unto the Trustees, their successor or successors in trust and their assigns, forever;

SUBJECT, HOWEVER, (a) as to all the properties hereby mortgaged (whether now owned or hereafter acquired) embraced therein or affected thereby to the Chicago, Burlington & Quincy Railroad Company First and Refunding Mortgage, dated February 1, 1921, and to the Great Northern Railway Company General Gold Bond Mortgage, dated January 1, 1921, to the extent that the liens thereof respectively attached, and (b) to Excepted Encumbrances and, in respect of existing Equipment, to Equipment Agreements now in effect or hereafter executed in accordance with the provisions of the Mortgage.

BUT IN TRUST NEVERTHELESS for the equal and proportionate benefit and security of all of the present and future holders of the Bonds as defined in the Mortgage and of any coupons appurtenant thereto, and for the enforcement of the payment of the principal of such Bonds and the premium, if any, and interest thereon, as and when payable, and the performance of and compliance with the covenants and conditions of the Mortgage, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that each and every Bond shall have the same right, lien and privilege under the Mortgage, and the principal of, premium, if

any, and interest payable on every such Bond shall be equally and ratably secured by the property covered by this Supplemental Indenture, as if all such Bonds at any time outstanding had been executed, delivered and negotiated simultaneously with the execution and delivery of this Supplemental Indenture.

This Supplemental Indenture may be executed in several counterparts, each of which shall be an original, and all collectively shall constitute but one instrument, which shall be sufficiently proved by the production of any one of said counterparts.

IN WITNESS WHEREOF, Burlington Northern Inc., the party of the first part, has caused this Supplemental Indenture to be signed and acknowledged by its Chairman of the Board or its President or one of its Vice Presidents, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries; and Morgan Guaranty Trust Company of New York, one of the parties of the second part, has caused this Supplemental Indenture to be signed and acknowledged by one of its Vice Presidents or Trust Officers, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries; and Jacob M. Ford II, one of the parties of the second part, has hereto set his hand and seal, all as of the day and year first above written.

BURLINGTON NORTHERN INC.

By
Vice President

(Corporate Seal)

Attest:

.....
Assistant Secretary

7

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By
Trust Officer

(Corporate Seal)

Attest:

.....
Assistant Secretary

..... (L. S.)

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

.....
.....
Attesting Witnesses

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me J. A. TAVER and F. A. DEMING, personally known to me and personally known to me to be a Vice President and an Assistant Secretary, respectively, of Burlington Northern Inc., one of the corporations described in and which executed the foregoing instrument, and known to me to be the same persons who subscribed their names to and executed said instrument as such Vice President and Assistant Secretary, respectively, who, being by me severally duly sworn, did, each for himself, depose and say and acknowledge that the said J. A. TAVER resides at 1847 Stanford Avenue, St. Paul, Minnesota, and that the said F. A. DEMING resides at 1302 Eldridge Avenue W., St. Paul, Minnesota; that said J. A. TAVER is Vice President and said F. A. DEMING is Assistant Secretary of Burlington Northern Inc., a corporation; that the corporate seal affixed to the foregoing instrument as the seal of said corporation is such corporate seal; that said seal was affixed thereto and that said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Vice President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth; and they severally acknowledged to me said instrument to be the free and voluntary act and deed of said corporation, and that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

(Notarial Seal)

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me R. E. SPARKOW and J. THOMAS CLARK, personally known to me and personally known to me to be a Trust Officer and an Assistant Secretary, respectively, of Morgan Guaranty Trust Company of New York, one of the corporations described in and which executed the foregoing instrument, and known to me to be the same persons who subscribed their names to and executed said instrument as such Trust Officer and Assistant Secretary, respectively, who, being by me severally duly sworn, did, each for himself, depose and say and acknowledge that the said R. E. SPARKOW resides at 496 Dorchester Road, Ridgewood, New Jersey, and that the said J. THOMAS CLARK resides at 164-20 Highland Avenue, Jamaica, New York; that said R. E. SPARKOW is Trust Officer and said J. THOMAS CLARK is Assistant Secretary of Morgan Guaranty Trust Company of New York, a corporation; that the corporate seal affixed to the foregoing instrument as the seal of said corporation is such corporate seal; that said seal was affixed thereto and that said instrument was signed, sealed and executed in behalf of said corporation by order and authority of the Board of Directors of said corporation, and that they and each of them signed their names to the foregoing instrument in their respective capacities as Trust Officer and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered said instrument as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth; and they severally acknowledged to me said instrument to be the free and voluntary act and deed of said corporation, and that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

(Notarial Seal)

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

I, FRANK SCHLIERF, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 2nd day of March, 1970, personally appeared before me in said County JACOB M. FORD II, personally known to me and known to me to be the individual and the same person who is described in and who subscribed his name to and who executed the foregoing instrument, who, being by me duly sworn, deposed and said that he resides at 2929 Lovers Lane, St. Joseph, Missouri; that he signed, sealed, executed and delivered the said instrument freely and voluntarily, and as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as such Notary Public in said County and State, the day and year first above written.

.....
(Notarial Seal)

Exhibit D1

Lines of railroad acquired by Burlington Northern Inc. as a result of the merger into said Company of Chicago, Burlington & Quincy Railroad Company on March 2, 1970, and hereby subjected to the lien of the Consolidated Mortgage of Burlington Northern Inc. dated March 2, 1970, as follows:

GROUP A: Main lines of railroad, aggregating approximately 4,924.37 miles:

	Approximate Length in Miles
Item (1). From a connection with the tracks of Chicago Union Station Company at Roosevelt Road in Chicago, extending in a westerly direction via Aurora, Mendota, Galesburg and Monmouth, Illinois; Burlington, Ottumwa, Creston and Pacific Junction, Iowa; Plattsmouth, Ashland, Lincoln (including freight line between Lincoln and Cobb), Hastings, Oxford Junction and McCook, Nebraska; and Brush and Fort Morgan, Colorado, to a connection with the tracks of the Denver Union Terminal Company at Denver, Colorado, a total distance of	1019.53
Item (2). From a connection with the line described in Item (1) of this Group A in Aurora, Illinois, extending in a northwesterly direction via Oregon, Savanna and East Dubuque, Illinois; and Prairie du Chien, LaCrosse (including freight line at LaCrosse), and Hastings, Wisconsin, to a connection with the tracks of the Saint Paul Union Depot Company at St. Paul, Minnesota, a total distance, including 12.64 miles owned by others and used pursuant to agreement, of	389.33
Item (3). From a connection with the tracks of the Davenport, Rock Island and North Western Railway Company at Rock Island, Illinois, extending in a southerly direction via Barstow and Rio to Alexis, Illinois, a total distance of	51.76

Approximate
Length in
Miles

Item (4). From Roseville, Illinois, extending in a southeasterly direction via Bushnell, Concord, and East Alton to East St. Louis, Illinois, a total distance, including 19.05 miles owned by others and used pursuant to agreement, of	167.43
Item (5). From a connection with the line described in Item (3) of this Group A at Barstow, Illinois, extending in a northerly direction via Denrock, Lass and Ebner, Illinois (including freight line from Lass to Garden Plain), to Scvanna, Illinois, a distance of	58.50
Item (6). From a connection with the line described in Item (1) of this Group A at Galesburg, Illinois, extending in a northwesterly direction to Rio, Illinois, a distance of	12.17
Item (7). From a connection with the line described in Item (4) of this Group A at Concord, Illinois, extending in a southeasterly direction via Centralia and Herrin to Metropolis, Illinois, a total distance, including 15.79 miles owned by others and used pursuant to agreement, of.....	226.06
Item (8). From a connection with the line described in Item (1) of this Group A at Galesburg, Illinois, extending in a southwesterly direction via Bushnell, Illinois, to a connection with Item (10) of this Group A at West Quincy, Missouri, a distance of	100.61
Item (9). From a connection with the line described in Item (1) of this Group A at Galesburg, Illinois, extending in a southeasterly direction to Peoria, Illinois, a total distance of	52.75
Item (10). From a connection with the line described in Item (1) of this Group A at Burlington, Iowa, extending in a southerly direction via Fort Madison and Keokuk, Iowa; and Alexandria, West Quincy, Hannibal and Old Monroe, Missouri, to a connection with the tracks of the Terminal Railroad Association of St. Louis at St. Louis, Missouri, a distance of	212.91

Approximate
Length in
Miles

Item (11). From a connection with the line described in Item (10) of this Group A at Old Monroe, Missouri, extending in a westerly direction to a connection with the tracks of the Gulf, Mobile and Ohio Railroad Company at Francis, Missouri, a distance of 63.27

Item (12). From Palmyra, Missouri, extending in a westerly direction via Macon, Brookfield and Cameron, Missouri, to St. Joseph, Missouri, a distance of 191.17

Item (13). From a connection with the line described in Item (10) of this Group A at Mark, Missouri, extending in a westerly direction to a connection with the line described in Item (12) of this Group A at Palmyra, Missouri, a distance of 8.91

Item (14). From a connection with the line described in Item (12) of this Group A at Needles, Missouri, extending in a southwesterly direction via Cotter, Missouri, to a connection with the tracks of the Kansas City Terminal Railway Company at Kansas City, Missouri, a total distance, including 16.04 miles owned by others and used pursuant to agreement, of 96.39

Item (15). From a connection with a line described in Item (14) of this Group A at Birmingham, Missouri, extending in a northeasterly direction to Kearney, Missouri, a distance of 17.11

Item (16). From a connection with the line described in Item (14) near Ustick Tower in North Kansas City, Missouri, extending in a northerly direction via St. Joseph, Napier and Corning, Missouri; and Hamburg, Payne and Pacific Junction, Iowa, to a connection with the Union Pacific Railroad Company at Union Pacific Transfer in Council Bluffs, Iowa, a distance of 189.37

	Approximate Length in Miles
Item (17). From a connection with the line described in Item (1) of this Group A at Oreapolis, Nebraska, extending in a northerly direction to Omaha, Nebraska, a distance of	17.00
Item (18). From a connection with the line described in Item (17) of this Group A at Omaha, Nebraska, extending in a westerly direction to a connection with the line described in Item (1) of this Group A at Ashland, Nebraska, a distance of	30.26
Item (19). From a connection with the line described in Item (18) of this Group A at Ashland, Nebraska, extending in a northerly direction via Fremont and Laketon, Nebraska, to Sioux City, Iowa, a total distance, including 4.59 miles owned by others and used pursuant to agreement, of	109.11
Item (20). From a connection with the line described in Item (16) of this Group A at Napier, Missouri, extending in a westerly direction via Rulo, Wymore, Superior and Red Cloud, Nebraska, to a connection with the line described in Item (1) of this Group A at Oxford Junction, Nebraska, a distance of	256.97
Item (21). From a connection with the line described in Item (20) of this Group A at Table Rock, Nebraska, extending in a northwesterly direction via Tecumseh, Lincoln, Milford, Seward, Aurora, Grand Island and Alliance, Nebraska; Edgemont, South Dakota; Newcastle and Sheridan, Wyoming; and Huntley, Montana, to Billings, Montana, a total distance, including 12.06 miles owned by others and used pursuant to agreement, of	903.77

Approximate
Length in
Miles

Item (22). From a connection with the line described in Item (21) of this Group A at Alliance, Nebraska, extending in a southwesterly direction via Northport and Sidney, Nebraska; and Sterling and Union, Colorado, to a connection with the line described in Item (1) of this Group A at Brush, Colorado, a total distance, including 23.67 miles owned by others and used pursuant to agreement, of 149.32

Item (23). From a connection with the line described in Item (21) of this Group A at Billings, Montana, extending first southwesterly and thence southeasterly via Laurel and Fromberg, Montana; Frannie, Greybull, Casper, Orin, Wendover and Guernsey, Wyoming; and Mitchell, Nebraska, to a connection with the line described in Item (22) of this Group A at Northport, Nebraska, a total distance, including 30.92 miles owned by others and used pursuant to lease, and 37.27 miles owned by others and used pursuant to agreement, of 531.91

Item (24). From a connection with the line described in Item (7) of this Group A at Herrin Junction, Illinois, extending in a southwesterly direction to Herrin, Illinois, a total distance of 1.31

Item (25). From a connection with the line described in Item (10) of this Group A at West Quincy, Missouri, extending in a northwesterly direction to Kirksville, Missouri, a total distance of 67.45

GROUP B: Branch lines of railroad, aggregating approximately 3,117.11 miles:

Item (1). From a connection with the line described in Item (1) of Group A in Aurora, Illinois, in a northerly direction to West Chicago, Illinois, a distance of about..... 12.02

	Approximate Length in Miles
Item (2). From a connection with the line described in Item (1) of Group A at Aurora, Illinois, in a northerly direction to West Batavia, Illinois, a distance of	7.15
Item (3). From a connection with the line described in Item (1) of Group A at Montgomery, Illinois, in a south-westerly direction via Burgess Junction to Streator, Illinois, a distance of	37.59
Item (4). From a connection with the line described in Item (3) of this Group B at Streator, Illinois, in a north-westerly direction via LaSalle to Zearing, Illinois, a distance of	43.66
Item (5). From Baker, Illinois, in a northwesterly direction via Earlville to Paw Paw, Illinois, a total distance, including .60 miles owned by others and used pursuant to agreement, of	14.17
Item (6). From a connection with the line described in Item (1) of Group A in Mendota, Illinois, in a westerly direction via Walnut to a connection with the line described in Item (5) of Group A at Denrock, Illinois, a distance of	48.53
Item (7). From a connection with the line described in Item (5) of this Group B at Paw Paw, Illinois, in a westerly direction via Sterling and Agnew to a connection with the line described in Item (5) of Group A at Denrock, Illinois, a total distance, including 4.91 miles owned by others and used pursuant to agreement, of	56.11
Item (8). From a connection with the line described in Item (2) of Group A at Flag Center, Illinois, in a northerly direction to Rockford, Illinois, a distance of	23.50
Item (9). From a connection with the line described in Item (2) of Group A at Oregon, Illinois, in a northerly direction to Mt. Morris, Illinois, a distance of	6.98

	Approximate Length in Miles
Item (10). From a connection with the line described in Item (2) of Group A at East Dubuque, Illinois, in a westerly direction to Dubuque, Iowa, a total distance, including 1.14 miles owned by others and used pursuant to agreement, of	1.65
Item (11). From a connection with the line described in Item (2) of Group A at East Winona, Wisconsin, in a westerly direction to Winona, Minnesota, a total distance, including .98 miles owned by others and used pursuant to agreement, of	2.16
Item (12). From a connection with the line described in Item (1) of Group A in Buda, Illinois, in a southwesterly direction to a connection with the line described in Item (9) of Group A at Elmwood, Illinois, a distance of...	44.53
Item (13). From a connection with the line described in Item (9) of Group A at Yates City, Illinois, in a southwesterly direction through Lewistown and Vermont to Rushville, Illinois, a distance of	62.91
Item (14). From a connection with the line described in Item (7) of Group A at Horton, Illinois, in an easterly direction to West Frankfort, Illinois, a distance of	3.65
Item (15). From Woodhull, Illinois, in a westerly direction via Alpha to Joy, Illinois, a distance of	30.83
Item (16). From Fairview, Illinois, in a southerly and southeasterly direction, via Lewistown to Liverpool, Illinois, a distance of	27.82
Item (17). From a connection with truck #222 at Quincy, Illinois, in a northerly direction to Colusa, Illinois, a distance of	50.71
Item (18). From a connection with the line described in Item (8) of Group A, at Quincy, Illinois, in a southerly direction to East Hannibal, Illinois, a distance of	17.98

Approximate
Length in
Miles

Item (19). From a connection with the line described in Item (10) of Group A, at Alexandria, Missouri, in a northwesterly direction to Centerville, Iowa; thereafter, following a gap, from Corydon to Humeaton, Iowa; and thereafter, following a gap, from Clearfield to Merle, Iowa, a total distance for the three segments of 106.39

Item (20). From Unionville, Missouri, in a southerly direction via Milan to a connection with the line described in Item (12) of Group A at LaCade, Missouri, a distance of 53.31

Item (21). From a connection with the line described in Item (14) of Group A at Cotter, Missouri, in a southwesterly direction to Carrollton, Missouri, a distance of 11.73

Item (22). From a connection with the line described in Item (10) of Group A at Ft. Madison, Iowa, in a westerly direction to Stockport, Iowa, a distance of 34.82

Item (23). From a connection with the line described in Item (1) of Group A at Burlington, Iowa, in a northwesterly direction via Winfield to Washington, Iowa, a total distance, including 15.38 miles owned by others and used pursuant to agreement, of 52.50

Item (24). From Hamill, Iowa, in a northerly direction to Houghton, Iowa, a distance of 2.89

Item (25). From a connection with the line described in Item (1) of Group A, at Albia, Iowa, in a northwesterly direction via Tracy to Des Moines, Iowa, a total distance, including 27.57 miles owned by others and operated pursuant to agreement, of 69.16

Item (26). From a connection with the line described in Item (1) of Group A at Chariton, Iowa, in a southwesterly direction via Giles, Iowa, and Bethany, Missouri, to a connection with track #353 at St. Joseph, Missouri, a distance of 142.95

Approximate
Length in
Miles

- Item (27). From a connection with the line described in Item (26) of this Group B at Giles, Iowa, in a westerly direction to Mt. Ayr, Iowa, and following a gap, extending southerly from Grant City, Missouri, to a connection with the line described in Item (26) of this Group B, at Albany Junction, Missouri, a total distance for the two segments of 43.25
- Item (28). From a connection with the line described in Item (1) of Group A at Creston, Iowa, in a northwesterly direction to Cumberland, Iowa, a distance of 46.78
- Item (29). From a connection with the line described in Item (1) of Group A at Creston, Iowa, in a southerly direction via Merle Jet, Iowa, and Maryville, Missouri, to Barnard, Missouri; thereafter, following a gap, from Savannah, Missouri, to a connection with the line described in Item (16) of Group A at Anamozia, Missouri, a total distance for the two segments of 79.45
- Item (30). From a connection with the line described in Item (1) of Group A at Villisca, Iowa, in a southerly direction to Olarinda, Iowa, and following a gap, commencing at Skidmore, Missouri, to a connection with the line described in Item (16) of Group A at Bigelow, Missouri, a total distance for the two segments of 53.58
- Item (31). From Westboro, Missouri, in a southwesterly direction to a connection with the line described in Item (16) of Group A at Corning, Missouri, a distance of 22.54
- Item (32). From a connection with the line described in Item (33) of Group B at Red Oak, Iowa, in a northerly direction to Griswold, Iowa, a distance of 18.42
- Item (33). From a connection with the line described in Item (1) of Group A at Red Oak, Iowa, in a southwesterly direction via Shenandoah to Riverton, Iowa, a distance of 30.86

Item (34). From a connection with the line described in Item (1) of Group A at Hastings, Iowa, in a southwesterly direction to Sidney, Iowa, a distance of 21.03

Item (35). From a connection with the line described in Item (1) of Group A at Hastings, Iowa, in a northerly direction to Carson, Iowa, a distance of 16.18

Item (36). From a connection with the line described in Item (16) of Group A at Armour, Missouri, in a westerly direction to Atchison, Kansas, a total distance, including .35 miles owned by others and used pursuant to agreement, of 3.96

Item (37). From a connection with the line described in Item (16) of Group A at East Leavenworth, Missouri, in a westerly direction to Leavenworth, Kansas, a total distance, including 1.73 miles owned by others and used pursuant to agreement, of 3.89

Item (38). From a connection with the line described in Item (16) of Group A at Payne, Iowa, in a westerly direction through Nebraska City, Nebraska, to a connection with the line described in Item (21) of Group A at Lancaster, Nebraska, a distance of 59.94

Item (39). From a connection with the line described in Item (38) of this Group B at Nebraska City, Nebraska, in a southerly direction via Nemaha to Shubert, Nebraska, a distance of 35.89

Item (40). From Auburn, Nebraska, in a westerly direction to a connection with the line described in Item (21) of Group A at Tecumseh, Nebraska, a distance of 22.50

Item (41). From a connection with the line described in Item (18) of Group A at South Omaha, Nebraska, in a southeasterly direction via Gilmore Junction to a connection with the line described in Item (17) of Group A at Pappio, Nebraska, a total distance, including 4.95 miles owned by others and used pursuant to agreement, of 9.95

	Approximate Length in Miles
Item (42). From a connection with the line described in Item (19) of Group A at Laketon, Nebraska, in a westerly direction to O'Neill, Nebraska, a distance of	124.42
Item (43). From a connection with the line described in Item (1) of Group A at Ashland, Nebraska, in a northwesterly direction via Wahoo to Prague, Nebraska, a distance of	31.50
Item (44). From a connection with the line described in Item (1) of Group A at Lincoln, Nebraska, in a northwesterly direction via Malcolm to Columbus, Nebraska, a distance of	70.03
Item (45). From a connection with the line described in Item (1) of Group A at Crete, Nebraska, in a southeasterly direction via DeWitt and Beatrice to a connection with the line described in Item (20) of Group A at Wymore, Nebraska, a distance of	41.84
Item (46). From a connection with the line described in Item (20) of Group A at Odell, Nebraska, in a southwesterly direction to Concordia, Kansas, a distance of	70.74
Item (47). From a connection with the line described in Item (45) of Group B at DeWitt, Nebraska, in a westerly direction via Edgar to Hildreth, Nebraska, and following a gap, extending from a connection with the line described in Item (1) of Group A at Holdrege, Nebraska, via Sterling, Colorado, to Carpenter, Wyoming, a total distance for the two segments of	428.05
Item (48). From Benedict, Nebraska, in a southerly direction to McCool Junction, and following a gap, from Lushton to Clay City, Nebraska; and also from Huntley, Nebraska, to Ayr Junction, Nebraska, a total distance for the two segments of	99.01

Item (49). From a connection with the line described in Item (1) of Group A at Fairmont, Nebraska, in a southeasterly direction via Tobias to Daykin, Nebraska, a distance of	28.04
Item (50). From a connection with the line described in Item (1) of Group A at Fairmont, Nebraska, in a southeasterly direction via Strang to Hebron, Nebraska, a distance of	33.71
Item (51). From a connection with the line described in Item (47) of this Group B at Edgar, Nebraska, in a southerly direction to Nelson, Nebraska, a distance of.....	13.59
Item (52). From a connection with the line described in Item (21) of Group A at Aurora, Nebraska, in a southerly direction via Hastings and Blue Hill to Lester, Nebraska, a distance of	63.10
Item (53). From a connection with the line described in Item (21) of Group A at Aurora, Nebraska, in a northerly direction via Palmer and Greeley Center to Burwell, Nebraska, a distance of	104.24
Item (54). From a connection with the line described in Item (53) of this Group B at Palmer, Nebraska, in a northwesterly direction to Sargent, Nebraska, a distance of	73.16
Item (55). From a connection with the line described in Item (1) of Group A at Kenesaw, Nebraska, in a northwesterly direction to Kearney, Nebraska, a distance of.....	24.31
Item (56). From a connection with the line described in Item (20) of Group A at Orleans, Nebraska, in a westerly direction to St. Francis, Kansas, a distance of	133.66
Item (57). From a connection with the line described in Item (56) of this Group B at Flynn, Nebraska, in a southwesterly direction to Oberlin, Kansas, a total distance, including 17.30 miles owned by others and used pursuant to agreement, of	74.61

	Approximate Length in Miles
Item (58). From a connection with the line described in Item (1) of Group A at Culbertson, Nebraska, in a northwesterly direction to Imperial, Nebraska, a distance of	48.35
Item (59). From a connection with the line described in Item (1) of Group A at Denver, Colorado, in a northwesterly direction via Utah Junction and Longmont to Lyons, Colorado, a total distance, including 13.81 miles owned by others and used pursuant to agreement, of.....	47.96
Item (60). From a connection with the line described in Item (21) of Group A at Edgemont, South Dakota, in a northerly direction via Minnekahta, Hill City and Englewood to Deadwood, South Dakota, a distance of.....	106.38
Item (61). From a connection with the line described in Item (60) of this Group B at Minnekahta, South Dakota, in an easterly direction to Hot Springs, South Dakota, a distance of	12.98
Item (62). From a connection with the line described in Item (60) of this Group B at Hill City, South Dakota, in an easterly direction to Keystone, South Dakota, a distance of	9.58
Item (63). From a connection with the line described in Item (23) of Group A at Frannie, Wyoming, in a westerly direction to Cody, Wyoming, a distance of	41.93

Exhibit D2

Trackage Agreements and Leases under which Burlington Northern Inc. has acquired trackage rights or lessee interests as a result of the merger with said Company of Chicago, Burlington & Quincy Railroad Company on March 2, 1970, and hereby subjected to the lien of the Consolidated Mortgage of Burlington Northern Inc. dated March 2, 1970, as follows:

A.—Agreements under which the Company has Trackage Rights:

1. With Atchison Bridge Company, dated June 25, 1930, expiring December 31, 1975, covering use of approximately .35 miles between Atchison, Kansas and Winthrop, Mo., Missouri River Bridge.
2. With Baltimore & Ohio Railroad, dated August 15, 1913, subject to termination on 90 days written notice before August 1 of each year, covering use of approximately 54.20 miles between Shattne and East St. Louis, Illinois.
3. With Chicago & North Western Railway, dated May 31, 1869, subject to termination on six months written notice, covering use of approximately 4.91 miles between Agnow and Sterling, Illinois.
4. With Chicago & North Western Railway, dated October 1, 1922, subject to termination on one year written notice, covering use of approximately 3.70 miles of Missouri River bridge between Sioux City, Iowa and South Sioux City, South Dakota.
5. With Chicago & North Western Railway, dated April 4, 1926, for an indefinite period until cancelled, covering use of approximately .60 miles of trackage at Earlville, Illinois.
6. With Chicago & North Western Railway, dated September 29, 1926, for so long as use Sioux City Bridge, covering use of .03 miles of track connection at Forry, Nebraska.
7. With Chicago & Eastern Illinois Railway, dated June 1, 1910, subject to termination on one year written notice, covering use of approximately 15.79 miles of joint line between Nielson and West Vienna, Illinois.

8. With Chicago Great Western Railway, dated April 30, 1937, subject to termination on 90 days written notice, covering use of approximately 2.40 miles between Bridge Junction and Burch, Iowa.

9. With Chicago Great Western Railway, dated August 3, 1944, subject to termination on 90 days written notice, covering use of approximately 50.98 miles between Burch and Talmadge, Iowa.

10. With Chicago Great Western Railway, dated January 1, 1954, subject to termination 24 years from effective date and thereafter on one year written notice, covering use of approximately 1.73 miles of bridge and tracks between Leavenworth, Kansas and Stillings, Missouri.

11. With Chicago, Milwaukee, St. Paul & Pacific Railroad Company, dated May 28, 1902, subject to termination on one year written notice, covering use of approximately 17.96 miles between St. Croix and St. Paul, Minnesota.

12. With Chicago, Rock Island & Pacific Railroad, dated September 1, 1959, for a term of 25 years or subject to termination on six months written notice in case of abandonment, covering use of approximately 15.38 miles between Burlington and Mediapolis, Iowa.

13. With Chicago, Rock Island & Pacific Railroad, dated June 1, 1881, subject to termination on six months written notice, covering use of approximately .81 miles at joint terminal, Clinton, Iowa.

14. With Chicago, Rock Island & Pacific Railroad, dated April 20, 1953, subject to termination on one year written notice, covering use of approximately 17.30 miles between Almota and Dellvale, Kansas.

15. With Chicago Union Station, dated July 2, 1915, covering use of approximately .76 miles of Chicago Union Station trackage.

16. With Cleveland, Cincinnati, Chicago & St. Louis Railway, dated June 1, 1916, covering use of approximately 19.05 miles between East St. Louis and East Alton, Illinois.

17. With Colorado & Southern Railway, dated November 29, 1889, for a term of 999 years or subject to termination on three years written notice by the Company, covering use of approximately 11.40 miles between Utah Junction and Burns Junction, Colorado.

18. With Colorado & Southern Railway, dated October 1, 1910, subject to termination on six months written notice, covering use of approximately 1.70 miles at terminal facilities, Cheyenne, Wyoming.

19. With Colorado & Southern Railway, dated May 23, 1957, until June 30, 1967, and then subject to termination on 90 days written notice, covering use of approximately .30 miles at Prospect, Colorado.

20. With Colorado & Southern Railway, dated June 16, 1949, expiring March 21, 1999, covering use of approximately 2.50 miles between Prospect and Utah Junction, Colorado.

21. With Davenport, Rock Island & North Western Railway, dated February 27, 1901, expiring February 27, 2000, covering use of approximately 49.00 miles between Clinton, Iowa and Rock Island, Illinois.

22. With Davenport, Rock Island & North Western Railway, dated April 12, 1898, expiring April 12, 1997, covering use of approximately .72 miles of trackage at Rock Island, Illinois.

23. With Denver Market & Produce Terminal, dated April 15, 1939, subject to termination on six months written notice, covering use of approximately .60 miles of fruit and vegetable market apurtenant trackage.

24. With Denver Union Terminal Railway, dated March 2, 1914, for a term of 99 years, covering use of approximately .64 miles of Union Depot tracks at Denver, Colorado.

25. With Gulf, Mobile & Ohio Railroad, dated December 20, 1948, for an indefinite period until cancelled, covering use of approximately 159.04 miles of joint line between Francis and Kansas City, Missouri.

26. With Illinois Central Railroad, dated February 25, 1889, subject to termination on three years written notice, covering use of approximately 1.07 miles between Dubuque, Iowa and East Dubuque, Illinois.

27. With Illinois Central Railroad, dated June 21, 1933, subject to termination on one year written notice, covering use of approximately .66 miles on Mississippi River Bridge between Dubuque, Iowa and East Dubuque, Illinois.

28. With Illinois Central Railroad, dated February 25, 1889, subject to termination on three years written notice, covering use of approximately 12.39 miles between Portage Curve and East Dubuque, Illinois.

29. With Illinois Central Railroad Company, dated April 24, 1969, for a period of 5 years and thereafter subject to termination on six months' notice, or the operating life of the Freeman Coal Corporation's mine at Groat, Illinois, if less than 5 years, covering use of approximately 18 miles of main and secondary tracks between Christopher and Groat, Illinois, for operation of unit coal trains.

30. With Illinois Terminal Railroad, dated May 12, 1916, subject to termination on six months written notice, covering use of approximately 4.75 miles between Alton and North Wood River, Illinois.

31. With Kansas City Terminal Railway, dated June 12, 1909, expiring 250 years from effective date, covering use of approximately 7.49 miles at Union Depot and Terminal, Kansas City, Mo.

32. With Missouri Pacific Railroad, dated December 15, 1951, subject to termination on one year written notice, covering use of approximately .17 miles of connecting track at Kansas City, Missouri.

33. With Paducah & Illinois Railroad Company, dated November 1, 1959, expiring June 30, 1985, covering use of approximately 12.50 miles of bridge and tracks between Metropolis, Illinois and Paducah, Kentucky.

34. With St. Paul Union Depot Company, dated December 18, 1916, expiring December 18, 2015, covering use of approximately .53 miles of Union Depot trackage at St. Paul, Minnesota.

35. With South Omaha Terminal Railway Company, dated August 1, 1949, subject to termination in 50 years and thereafter on six months written notice, covering use of approximately .41 miles of trackage at South Omaha, Nebraska.

36. With Terminal Railroad Association of St. Louis, dated December 16, 1902, for an indefinite period until cancelled, covering use of approximately 17.99 miles at Union depot and terminal, St. Louis, Missouri.

37. With Terminal Railroad Association of St. Louis, under no formal contract, covering use of approximately 5.16 miles between Willows and Granite City, Illinois.

38. With Union Pacific Railroad, dated March 1, 1920, expiring December 31, 1988, covering use of approximately 2.73 miles on Missouri River bridge and tracks between Council Bluffs, Iowa and Omaha, Nebraska.

39. With Union Pacific Railroad, dated August 7, 1900, expiring June 30, 1999, or subject to termination on three years written notice, covering use of approximately 4.54 miles between Gilmore Junction and South Omaha, Nebraska.

40. With Union Pacific Railroad, dated August 7, 1900, expiring September 14, 2000, covering use of approximately 23.67 miles between Sterling and Union, Colorado.

41. With Union Pacific Railroad, dated August 3, 1922, expiring November 1, 2015, covering use of approximately .04 miles of connecting track at Denver, Colorado.

42. With Norfolk & Western Railway Company, dated February 8, 1963, for an indefinite period until cancelled as a result of abandonment of joint operations, covering use of approximately 27.57 miles between Albia and Des Moines, Iowa.

43. With Norfolk & Western Railway Company, dated September 14, 1950, subject to termination in 99 years and then on six months written notice, covering use of approximately 16.04 miles between Birmingham and Missouri City Junction, Missouri.

44. With Norfolk & Western Railway Company, dated July 11, 1951, subject to termination on 90 days written notice, covering use of approximately 9.64 miles between East Hannibal and Halls, Illinois.

45. With Norfolk & Western Railway Company, dated October 8, 1905, subject to termination on six months written notice, covering use of approximately 8.5 miles between Ustick Tower (North Kansas City) and Birmingham, Missouri.

46. With Winona Bridge Railway, dated September 14, 1938, subject to termination in 20 years and thereafter at expiration of any calendar year on 30 days written notice, covering use of approximately .99 miles of bridge and track across Mississippi River between East Winona, Wisconsin, and Winona, Minnesota.

47. With Associated Railroads, dated March 16, 1953, subject to termination by mutual agreement, covering use of approximately 6.5 miles of industrial spur at Denver, Colorado.

48. With Louisville & Nashville Railroad Company, dated July 6, 1939, subject to termination on 90 days written notice, covering use of approximately .10 miles of terminal facilities at Paducah, Kentucky.

B.—Lease under which the Company is Lessee:

From The Colorado and Southern Railway Company, leasing the line of railroad between Orin Junction and Wendover, Wyoming, approximately 31 miles, dated October 18, 1916, subject to cancellation on six months written notice.



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

J. A. Tauer, being first duly sworn on oath, deposes and says that he is a Vice President of Burlington Northern Inc. and, being duly authorized thereunto, makes this affidavit for and on its behalf; that the foregoing Consolidated Mortgage dated March 2, 1970, between Burlington Northern Inc. and Morgan Guaranty Trust Company of New York and Jacob M. Ford II, Trustees, is made in good faith and without any design to hinder, delay or defraud creditors.

J. A. Tauer
J. A. Tauer



Subscribed and sworn to before me this 2nd day of March, 1970.

Lorraine Fowler
Notary Public

LORRAINE FOWLER
Notary Public, State of New York
No. 2107-100
County of New York
Subscribed and sworn to before me on March 30, 1970