

This Indenture, made this First day of April A. D. 1887, by and between the MINNEAPOLIS, LYNDAL & MINNETONKA RAILWAY COMPANY, a corporation formed and existing under and by virtue of the laws of the State of Minnesota, party of the first part, and THE FARMERS' LOAN AND TRUST COMPANY, of the City of New York, a corporation formed and existing under and by virtue of the laws of the State of New York, as Trustee, party of the second part. *Witnesseth.*

*Whereas*, The Minneapolis, Lyndale & Minnetonka Railway Company, the party hereto of the first part, is a corporation duly created and existing under and by virtue of the laws of the State of Minnesota, and vested with power and authority to acquire, construct, maintain, use and operate a line of railway in said State of Minnesota, from a point within the limits of the City of Minneapolis, in said State of Minnesota, to, at or near Lake Minnetonka, in said state, by the way of Lyndale, Lakes Calhoun and Harriet, in said Hennepin County, with a branch of said line to the Falls of Minnehaha and Fort Snelling, in said county, together with all necessary or convenient warehouses, side tracks, shops, stations, wharves, landings, and other convenient appurtenances to said railway, and

*Whereas*, the said railway company under and by virtue of the authority possessed by it, has already constructed and has in operation the lines of railway hereinafter more fully described; and also owns certain lands, depots, car houses, shops, rolling stock, and other property, appurtenances and equipments acquired and in use by the said railway, and also hereinafter more fully described, and

*Whereas*, the said railway company, the party of the first part, has power under its Act of Incorporation from the said State of Minnesota, to borrow money and to incur indebtedness in such sum or sums, and payable at such times and places as may be agreed upon, and to secure the payment thereof by mortgage on its railroad, rights, franchises, and any and all other property of the said company, now owned or hereafter acquired by it, and

*Whereas*, on or about the first day of April, A. D. 1881, the said Minneapolis, Lyndale & Minnetonka Railway Company, did make and deliver to the Farmers' Loan and Trust Company, as Trustee, a certain deed of trust or mortgage upon its property and franchises, dated on said day, and designated as its first mortgage to secure a series of its thirty year six per cent gold bonds of one thousand dollars each, of even date with said mortgage, and designated as first mortgage bonds, of which series bonds were issued to the amount of eighty thousand dollars in the first instance, and thereafter, from time to time, to an amount at the rate of ten thousand dollars per mile, for each mile of railroad built by said railway company after April 1st, 1881, as in said mortgage or deed of trust provided, aggregating in all two hundred and seventy in number, and of principal the sum of two hundred and seventy thousand dollars, which are the only bonds of said series issued and now outstanding and unpaid, and,

*Whereas*, the said railway company within the scope and in the exercise of the powers so conferred upon it, has expended large sums of money in making extensions of and repairs and improvements upon its said railways, and in equipping the same, and in attempting to utilize some power in the operation of a portion of its railway other than steam motors, and in the purchase of real estate, and the erection of buildings thereon, for the full payment of which the unissued said first mortgage bonds were inadequate, and hence unavailable, and in consequence whereof said railway company has contracted unsecured floating indebtedness, and incurred liability in a sum in all aggregating about three hundred and fifty thousand dollars, over and above said bonded indebtedness heretofore issued and now outstanding, and,

*Whereas*, by an ordinance of the said council of the City of Minneapolis duly passed, the said railway company is required on or before November 1st, 1889, to introduce and put in operation on a portion of its line of railway in said City of Minneapolis, a cable railway, so called, or some power other than steam motors, a compliance with which requirement will render necessary other large expenditures of money, and it is also believed that in the immediate future it will be advisable and essential to the interest of said company, to make still other large expenditures of money for the building of new and extended lines of railway and the equipment thereof, and for the purchase of real estate and the construction of buildings and other improvements, and

*Whereas*, the present holders of the aforesaid outstanding bonds of said railway company are also the holders and owners of the floating indebtedness of said company, above mentioned, and are ready and willing to surrender the said bonds held by them, and take in payment thereof, and of such floating indebtedness, a like amount of the bonds of this company, of the series to be issued hereunder sufficient in amount at par to pay all such bonded and floating indebtedness, and,

*Whereas*, in and by an agreement of lease made between the Minneapolis Street Railway Company, a corporation formed and existing under and by virtue of the laws of the State of Minnesota, and this company, the said Minneapolis Street Railway Company has leased the railways and all property of this company for the term of thirty years, from and after April 1st, A. D. 1887, and in consideration thereof, has, among other things agreed to guarantee the payment of all the interest which shall accrue upon all the bonds of this company of the said series, not exceeding one million dollars last mentioned, and has also further agreed in said lease, that all its rights created thereby, or arising thereunder, shall be subject and subordinate to the prior lien of the mortgage or deed of trust securing the payment of the bonds of said series, and,

*Whereas*, it is desirable and for the best interests of this company to pay off the said outstanding first mortgage bonds, and to have released and discharged of record, the mortgage or deed of trust securing the same, and also to pay the said floating indebtedness, and to provide money for such further expenditures as may be necessary, and,

*Whereas*, deeming it expedient and essential, and to the best interests of the said Railway Company, to exercise the borrowing power conferred upon it by the laws of the State of Minnesota, and by the issue of bonds as herein provided to borrow the moneys necessary for the payment and satisfaction of the bonds and floating indebtedness hereinbefore mentioned, and for the needed, and to be needed, expenditures aforesaid, the said railway company has, by resolution of its board of directors, duly approved, ratified and confirmed by a vote of its stockholders, directed the issue from time to time of a series of its corporate bonds to be designated first mortgage bonds, of the denomination of one thousand dollars each, dated April 1st, A. D. 1887, numbered consecutively from one upwards to the highest number thereof issued, not exceeding one thousand in number or one million dollars in amount; and that the same be issued at the times and for the purposes and in the manner hereinafter prescribed; and that the principal of said bonds be payable to the Farmers' Loan and Trust Company, of the City and State of New York, as trustee, or to the holder thereof, on the first day of July, A. D. 1917, in gold coin of the United States of America, of the present standard of weight and fineness, in the City of New York, at the office of the trustee, or at the financial agency of said railway company, with interest at the rate of five per centum per annum, payable in like gold coin at the said places, semi-annually on the first days of October and April in each year, on the surrender of the annexed coupons as they successively mature and so long as the principal thereof remains unpaid, and which bonds should contain all such covenants and statements as are stated in the copy thereof hereinafter given, and be executed and authenticated in the manner indicated in such copy of bond, and of the coupons and trustee's certificate attached, and that the interest thereon should be guaranteed by the Minneapolis Street Railway Company in the form hereinafter given and in the said resolution stated, to which reference is here made, and should be issued to an amount and for the purposes stated as follows:—

Numbers 1 to 270 inclusive, to pay and retire an equal amount of prior bonded indebtedness; numbers 271 to 620, inclusive, to pay for expenditures already made and liabilities already incurred, and for moneys owed on account thereof; numbers 621 to 1000, inclusive, such amounts thereof as may from time to time be required,

First, to pay for real estate, machinery, rolling stock and equipment, or either thereof hereafter purchased, and for buildings hereafter constructed necessary to the proper operation of any of the railways of the said company.

Second, for new or extended lines of steam or horse car railway hereafter constructed, completed and fully equipped, after the most approved methods and of the best materials and workmanship, not to exceed ten thousand dollars par value per mile of single track railway, exclusive of side tracks and turn-outs.

Third, sufficient to pay the cash cost of cable lines, as distinguished from steam motors, or horse car lines to be hereafter built and in like manner completed and equipped with appurtenances not exceeding sixty thousand dollars par value per mile of completed single track railway, exclusive of side tracks and turn-outs.

Fourth, for the alteration and adaptation of the present existing lines of said company's railways, or any part thereof, to the use of motive power other than steam motors, or cable, to an amount sufficient to cover the cash cost of said alterations.

*Provided, however*, that the said bonds shall not be issued for the purposes aforesaid, or any of them, in excess of the actual cash cost thereof, nor prior to construction and completion, excepting that bonds numbered 1 to 620, inclusive, shall be issued at once for the purpose of taking up outstanding indebtedness, paying for expenditures already made, and liabilities already incurred, and for moneys owed on account thereof, and excepting also that bonds to the amount of not exceeding \$200,000 par value and not exceeding the amount required to carry out contracts for cable lines then made, may be issued in advance of the completion of cable lines and the proceeds applied only to the construction thereof.

*And, further*, by said resolutions of its Board of Directors, the said railway company has authorized and directed its President, and in case of his absence, its Vice-President, and its Treasurer, to execute the said bonds in its corporate name and to issue the same as its Board of Directors shall direct subject to the restrictions and limitations hereinafter mentioned, and its said President, or its Vice-President and its Secretary, to execute in its corporate name and under its corporate seal duly acknowledge, and cause to be certified so as to entitle the same to be recorded, and cause to be recorded in the office of the Secretary of State, of the State of Minnesota, and in the office of the Register of Deeds of the County of Hennepin, State of Minnesota, and in whatever other place it may be lawful to record the same, and thereafter to deliver to the Farmers' Loan and Trust Company of the City of New York, of the State of New York, as trustee, a mortgage or deed of trust in the form hereby made, bearing date the first day of April, A. D. 1887, conveying by way of mortgage or deed of trust to the said Farmers' Loan and Trust Company, as trustee, all of the railways, equipment, property, rights, franchises, easements, privileges and immunities of the said railway company of whatever and every name and nature, real, personal and mixed, in possession or expectancy, now owned or possessed or that may be hereafter in any manner acquired, owned or possessed by the said railway company, together with all tolls, incomes, revenues, rents, issues and profits thereof, and that the several recitals, statements, grants, terms, conditions, contracts, privileges, stipulations and covenants herein contained, should be binding upon the party of the first part thereto, and,

Whereas, by said resolutions of its Board of Directors, the said railway company did direct that the bonds of said series, the coupons attached thereto, the guaranty of the payment of the interest and the trustee's certificate endorsed thereon, should be substantially in the words and figures following, and should be authenticated, sanctioned, issued and secured in the manner and subject to the restrictions and limitations herein and next thereafter stated, viz:

(Form of Bond.)

UNITED STATES OF AMERICA.

No.....

STATE OF MINNESOTA

\$1,000

FIRST MORTGAGE BOND.

OF THE

MINNEAPOLIS, LYNDAL AND MINNETONKA RAILWAY COMPANY:

THE MINNEAPOLIS, LYNDAL AND MINNETONKA RAILWAY COMPANY, hereby acknowledges itself indebted to THE FARMERS' LOAN AND TRUST COMPANY, of the City and State of New York, as Trustee, in the sum of One Thousand Dollars, which sum it promises to pay to it, or its successor as trustee, or to the holder of this bond, on the first day of April, A. D. nineteen hundred and seventeen, in gold coin of the United States of America, of the present standard of weight and fineness, in the City of New York, at the office of said trustee, or at the financial agency of said railway company, with interest at the rate of five per centum per annum, payable in like gold coin, at the same place, semi-annually, on the first days of October and April in each year, on the surrender of the annexed coupons as they successively mature, and so long as the principal thereof remains unpaid.

If default shall be made in any of the payments of interest upon this bond, as the same shall respectively become due and payable, and if such default shall continue for a period of four months, the principal sum of said bond shall thereupon become due and payable in the manner and with the effect specified in the deed of trust hereinafter named.

This bond is one of a series of bonds all of like amount, terms and effect, numbered consecutively from one upwards, not exceeding one thousand in number, issued and to be issued by the Minneapolis, Lyndal and Minnetonka Railway Company, for the purposes stated in said deed of trust. The payment of the said bonds, with the interest thereon, is equally and ratably secured by deed of trust or mortgage, made by the said Minneapolis, Lyndal and Minnetonka Railway Company to the said Farmers' Loan and Trust Company, as trustee, bearing even date herewith, giving to such trustee a first lien upon all the existing railways of the said railway company, in the State of Minnesota, and upon any extensions or alterations thereof, and upon all franchises, privileges, tolls, incomes, and other property, real and personal, of the said company, now owned or hereafter acquired by said company and connected with the said railways, as is more fully set forth in said deed of trust.

This bond shall not become obligatory until authenticated by the certificate of the trustee.

This bond may be registered in the owner's name on the company's books in the City of New York, such registry to be noted on the bond by the company's registration agent, after which no transfers will be valid unless made on the books of the company by the registered owner, or his attorney, and similarly noted on the bond; but the same may be discharged from registry by being transferred to bearer, after which it shall be transferable by delivery, and it may again be registered as before. The registry of the bond shall not restrain the negotiability of the coupons by delivery merely, but the coupons may be surrendered and the interest made payable only to the registered owner of the bond.

In Witness Whereof, the said MINNEAPOLIS, LYNDAL AND MINNETONKA RAILWAY COMPANY has caused its corporate seal to be hereunto affixed, and these presents to be signed by its President, or its Vice-President, and countersigned by its Treasurer, the first day of April, A. D. one thousand eight hundred and eighty-seven.

THE MINNEAPOLIS, LYNDAL AND MINNETONKA RAILWAY COMPANY,

By

.....President.

Countersigned:

.....Treasurer.

(Form of Coupon.)

\$25.

The Minneapolis, Lyndal and Minnetonka Railway Company will pay the bearer, in the City of New York, at the office of the Trustee, or at the financial agency of said railway company, twenty-five dollars in gold coin of the United States, on the first day of October, A. D. 1887, being six months interest on its First Mortgage Bond No.....

.....Treasurer.

(Form of Guaranty.)

## GUARANTY.

The Minneapolis Street Railway Company, in consideration of the lease to it of the lines of railway and property of the Minneapolis, Lyndale and Minnetonka Railway Company, for the term of thirty years, as evidenced by an indenture of lease executed by and between the said parties, bearing date the first day of April, A. D. 1887, and the grants, promises and agreements therein contained, which leasehold, estate or interest, is subject to the prior lien of the deed of trust in the within bond mentioned, and for value received does hereby guarantee the payment of the interest accruing on said bond as it shall be due and payable to the person thereto entitled according to the meaning and intent of said bond and the coupons annexed thereto upon default in payment of said interest by the obligor upon demand thereof.

*In Witness Whereof*, the Minneapolis Street Railway Company has caused its corporate seal to be hereto affixed, and these presents to be signed by its President, or Vice-President, and Secretary.

THE MINNEAPOLIS STREET RAILWAY COMPANY,

By

.....President.

.....Secretary.

[Corporate Seal.]

(Form of Trustee's Certificate.)

## TRUSTEE'S CERTIFICATE.

It is hereby certified that this is one of the series of bonds issued under and described in the mortgage, or trust deed, therein referred to, and that said mortgage has been duly executed and delivered, and a certificate of the record thereof has been filed with this company.

THE FARMERS' LOAN AND TRUST COMPANY,

Trustee.

By

.....President.

Upon the execution from time to time of said bonds by said railway company, and the execution by the Minneapolis Street Railway Company of the guaranty of the interest endorsed thereon, and the execution, delivery and recording of said deed of trust therein named, the said bonds shall be delivered to the said trustee for the purpose of enabling the trustee to sign the certificate endorsed upon each of the same, and of which a copy is given in the foregoing recitals, and when so signed the said bonds shall be delivered to said railway company, or to such person or persons as it may designate, for issue and sale, subject, however, to the restrictions and conditions herein named. All bonds of such series shall be issued only by the sanction of the trustee to be evidenced by its signature to the trustee's certificate thereon, and to be given only under the following conditions, to-wit:—

The trustee shall sanction the issue of bonds numbered as herein provided to an amount and for the purposes in the foregoing recitals stated, and from time to time for such purposes shall authenticate and deliver to said railway company, the said bonds only upon the presentation to such trustee of certified copies of resolutions of the Board of Directors making requests therefor and stating the purposes for which the same are desired; and if for the purpose of retiring bonds constituting such prior bonded indebtedness, or part thereof, upon the presentation and surrender of such bonds, whereupon said trustee shall cancel the bonds presented and authenticate and deliver to said railway company an equal amount of bonds hereby authorized; and if for the purpose of paying for expenditures already made or liabilities already incurred and for moneys owing on account thereof, the trustee shall authenticate and deliver the bonds required therefor only upon presentation to such trustee of the affidavit of the president, or in his absence the vice president of the railway company stating that it is designed in fact to use the bonds for such purposes; and if for the purposes of paying for real estate, machinery, rolling stock, and equipment hereafter purchased and for buildings hereafter constructed, or either or any thereof, the said trustee shall authenticate and deliver the bonds required therefor, only upon the presentation to such trustee of like affidavit of the president or vice president, accompanied by an abstract of title to the real estate purchased, certified to by the attorney of the company, as showing a good merchantable title in fee in the grantor thereof, and by a sworn statement of the superintendent of the railway company, or other officer of said company having knowledge of the fact, showing the cash cost of the real estate, machinery, rolling stock or equipment so purchased, and of the buildings so constructed; and if for the purpose of paying for the construction or equipment of steam or horse car lines, cable lines, or the alteration of any of the present existing lines of said company's railways to the use of motive power other than steam, motor, or cable power, or either or any thereof, the said trustee shall authenticate and deliver the bonds required therefor only upon the presentation to such trustee of like affidavits of the president or vice president, accompanied by a sworn statement of the superintendent of the railway company, or other officer of the company having knowledge of the facts, showing the completion and equipment as aforesaid of the lines so constructed, and the cash cost thereof; and further accompanied by a certified



copy of the resolutions of the Board of Directors authorizing and directing or ratifying and approving of the work of construction or alteration so done; and if for the purpose of obtaining bonds for cable construction in advance of the completion of such line, the said trustee shall authenticate and deliver the amount of bonds demanded, not exceeding the amount authorized as aforesaid, only upon the presentation to such trustee of like affidavits of the president or vice president, which affidavits shall also, specify in detail as fully as practicable the purposes for which the same are designed to be used, and be accompanied by a certified copy of the resolutions of the Board of Directors of the company, authorizing such expenditures;

*Provided However*, that in no case shall bonds be authenticated and delivered contrary to the limitations hereinbefore prescribed, and provided that coupons past due at the time of the application for any such bonds shall be cancelled before the authentication and delivery of such bonds:

All of the bonds of said series to be issued as provided herein shall be equally and ratably in all respects secured by the deed of trust in said bonds and resolutions mentioned, upon all of the property therein described without preference, priority or discrimination on account of or with reference to the times of the actual issue of said bonds or any of them; and the trustee's certificate duly signed shall be sole and conclusive proof that the bonds on which the same is endorsed are secured by such deed of trust fully as is in said bonds stated.

*Now, Therefore*, this *Indenture witnesseth*: That the Minneapolis, Lyndale and Minnetonka Railway Company, the party hereto of the First part, in consideration of the premises, and of the sum of one dollar to it paid by the trustee, the party of the Second part, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and interest of the bonds aforesaid, to be issued as herein stated and provided, and of every part of said principal and interest as the same shall become due according to the tenor of said bonds and the coupons attached thereto, has granted, bargained, sold, assigned, set over, aliened, enfeoffed, released, conveyed and confirmed unto the Farmers' Loan and Trust Company of the City of New York as trustee, and by these presents doth grant, bargain, sell, assign, set over, alien, enfeoff, release, convey and confirm unto the said Farmers' Loan and Trust Company of the City of New York as trustee, the party hereto of the second part, and to its successor or successors in the trust hereby created, all the railways, property and franchises hereinafter more fully described, to-wit:

A line of railway, designated as "The Main Line" extending from Bridge Square in the City of Minneapolis, by way of Lyndale, Lake Calhoun and Lake Harriet to Hopkins in said County of Hennepin a distance of about eleven miles now constructed and in operation, and about five miles of which is double tracked.

A line of railway designated as the "Branch Line" running from a point on said Main Line at or near 31st Street in said City of Minneapolis to the Falls of Minnehaha in said Hennepin County, a distance of five miles now constructed and in operation, and all extensions or branches thereof, hereafter to be constructed; and also all the rights, privileges, immunities and franchises of whatever kind or nature, now or hereafter owned or acquired by the said railway company, and all property real, personal or mixed, now or hereafter owned or acquired by the said railway company appurtenant to the railways hereby conveyed or necessary or convenient in the operation thereof.

And it is hereby declared that among the property, real, personal or mixed, intended to be conveyed by the railway company hereby, are embraced the following, namely: First, that piece or parcel of land in the City of Minneapolis, Hennepin County, State of Minnesota, described as follows, to-wit:—

Commencing on the west line of Nicollet avenue at a point nine hundred and ninety (990) feet south of the north line of the northwest quarter of section three (3), township twenty-eight (28) north, range twenty-four (24) west of the fourth principal meridian; running thence north on said west line of Nicollet avenue three hundred and ninety-eight and seventy-one one hundredths (398 and 71-100) feet to the southerly line of the right of way of the Minneapolis, Lyndale and Minnetonka Railway Company; thence southwesterly and westerly along said line of said right of way three hundred and ninety-six and thirty-seven one hundredths (396 and 37-100) feet; thence deflecting to the left ninety (90) degrees and six (6) minutes, and running southerly three hundred and twenty-four and thirty one hundredths (324 30-100) feet; thence deflecting to the left eighty-nine (89) degrees and fifty-four (54) minutes, and running easterly three hundred and seventy-six (376) feet to the point of beginning, containing  $2\frac{89}{100}$  acres, and all the lands, real estate, grants, ways, right of way, station ground, licenses and easements of the railway company upon which any railway or railways which the railway company now owns or shall hereafter construct or acquire by lease, purchase or otherwise, are situated or which are necessary, useful or convenient for the use, maintainance and operation of the said railways, whether now owned or hereafter acquired.

Second: Also all the bridges, trestles, viaducts, culverts, tracks, double or single, side tracks, sidings, switches and turn-tables upon or forming a part of the said railways respectively conveyed hereby, whether now held or owned or hereafter acquired as a part of the said railways.

Third: Also all the depots, station houses, freight houses, engine houses, car houses, machinery and other shops, water tanks and any other structures erected or acquired for use in connection with the railways respectively hereby conveyed, whether now held or owned or hereafter acquired for use in connection with said railways.

Fourth: Also all terminal grounds, yards, warehouses and other terminal facilities now owned, held or hereafter acquired, including all terminal rights, privileges existing under contracts now or hereafter at any time during the life hereof to be entered into by the railway company or its successors.

Fifth: All locomotives, engines, tenders, passenger and freight cars, being now one locomotive and tender, twelve motors, thirty-eight passenger cars, ten flat cars, two box cars and nine dump cars, and all other rolling stock or equipments, all kinds of machinery and tools, and all fuel and coal, and all other material and supplies, whether the same are now owned or may be hereafter acquired for use by the said railway company in operating, repairing or replacing the railways above conveyed, or any part thereof.

Sixth: All things in action, contracts, leases, claims and demands arising out of the operation of the railways conveyed hereby, now owned or which may be hereafter acquired, and also all other personal property of the railway company now owned or which may be hereafter acquired, together with all and singular the tenements, hereditaments and appurtenances belonging to any or all of the above described property, and all reversions, remainders, tolls, freights, income, issues, and profits derived and to be derived from the operation of the railways above conveyed, or any of them, including all the estate, right, title and interest whatsoever, as well at law as in equity, of the railway company, its successors or assigns, to any or all of the above described property, whether owned absolute or under lease or otherwise, and whether in possession or in expectancy, including all leasehold rights and license.

*To have and to hold*, all and singular, the premises, lands, railways, grants, rights of way, ways, licenses, easements, tolls, rents, issues and profits thereof, and other property, real, personal and mixed aforesaid, with the appurtenances, and the corporate or other franchises, rights, privileges and immunities aforesaid, unto the party of the second part, and its successor or successors in the trust, and its or their assigns.

*In trust, however*, for the person or persons, firm or firms, bodies politic or corporate, who shall at any time become and be from time to time the purchasers and holders of said bonds, or any of them, and for the purposes and on the conditions herein expressed, and,

*It is hereby declared*, that the trusts, uses, purposes and conditions upon which the premises, lands, railways, grants, rights of way, ways, licenses, easements, tolls, rents, issues and profits thereof, and other property, real, personal and mixed, aforesaid, and all corporate or other franchises, rights, privileges and immunities are conveyed to and are to be had, held and disposed of by the said party of the second part, and subject to which agreements and conditions the bonds secured hereby are issued to and are to be held by each and every holder of said bonds and the agreements and covenants of the said party of the first part in respect thereto, other than those hereinbefore stated, are as follows:

#### ARTICLE I.

The parties hereto for themselves and their successors respectively covenant and agree, each with the other, that the party of the first part will make, execute and deliver to the party of the second part, and the party of the second part will sanction, authenticate and return to the party of the first part, or to such person or persons as it may designate, the bonds secured hereby upon the conditions, limitations and restrictions relating thereto, respectively contained in the foregoing recitals, and the party of the first part agrees forthwith to make and execute and deliver to the said trustee, party of the second part, six hundred and twenty of the bonds secured hereby, numbered from one to six hundred and twenty, both inclusive, together with requests and resolutions as in said recitals required, and the said trustee agrees to hold the same unauthenticated until the present outstanding bonds of the company shall be presented and surrendered; and the present unsecured or floating indebtedness of said company be receipted for, discharged and extinguished, to the amount hereinbefore stated, and when all said outstanding bonds are so presented and surrendered, and said unsecured or floating indebtedness to the amount hereinbefore stated be receipted for, cancelled and discharged, it will authenticate and deliver to the party of the first part hereto, or to its order, the said six hundred and twenty bonds so delivered to it, in compliance with the requirements named in the foregoing recitals, and will immediately cancel and destroy said bonds so surrendered and delivered up to it, and will not authenticate or deliver any more of the bonds of said series dated April first, A. D. 1881, but shall and will immediately upon the surrender and delivery to it of the said outstanding bonds of said series, satisfy and discharge of record the mortgage or trust deed securing said issue of bonds, to the end, and it is hereby declared to be the intention and purpose of the parties hereto, that the bonds issued hereunder, and the mortgage or trust deed securing the same, shall be a first lien upon all of the railways, franchises and property herein described, prior to any and all other liens of every name and nature whatsoever.

The bonds to be issued hereunder for delivery to the party of the first part after authentication, shall be delivered to such person or persons as the Board of Directors shall by resolutions from time to time designate.

#### ARTICLE II.

Until default shall be made in the payment of the principal or interest of the said bonds, or some of them, and until such default shall have continued for a period of four months, said party of the first part shall be permitted to possess, manage, operate and enjoy the said hereinbefore described lands, railways, grants, rights of way, ways, licenses, franchises and easements, and other property, real, personal and

mixed, and every part thereof, with the equipments and appurtenances thereunto belonging, and the said corporate franchises, rights, privileges, immunities, and to take and use the tolls, incomes, rents, issues and profits thereof, in the same manner and with the same effect as if this indenture had not been made.

### ARTICLE III.

If the party of the first part shall well and truly pay the principal of the said bonds, and every one of them, and all interest thereon, when the same shall become payable, according to the true intent and meaning of these presents, and of the said bonds and the coupons issued therewith, then and in that case all the estate, right, title and interest of the said party of the second part, and its successor or successors in the trust hereby granted, shall cease, determine and become void; otherwise the same shall be and remain in full force and virtue.

### ARTICLE IV.

In case default be made in the payment of any interest on any of the aforesaid bonds when the same shall become payable or of the coupons thereto annexed, upon demand made for such payments, and in case any such default shall continue for the period of four months, it shall be lawful for the said trustee, the said party of the second part, personally or by its attorney or agent, to take possession of and enter into or upon all and singular the railways, premises, and property hereby conveyed or intended so to be conveyed, and each and every part thereof, and to have, hold and use the same, operating by its superintendents, managers, servants, attorneys or agents, the said railways, conducting the business thereof and making from time to time all repairs and replacements, and such useful alterations, additions and improvements thereto as may seem to it to be judicious, and collect and receive all tolls, freight, incomes, rents, issues and profits of the same and of every part thereof, and after deducting the expenses of operating the said railways and conducting the business, including the proper compensation for its own services and for all agents or attorneys employed by it in or about such entry or operation and of all the said repairs, replacements, alterations, additions and improvements and all payments which may be made for taxes, assessments, charges or liens prior to the lien of these presents upon the said railways, property and premises, or any part thereof, to apply the moneys arising as aforesaid to the payment of interest upon said bonds in the order in which such interest shall have become or shall become due, ratably to the persons holding the coupons or other evidences of the right to such interest; and after paying all interest which shall have become due, to apply the same to the satisfaction of the principal of the said bonds, which may at that time be due and unpaid, ratably and without discrimination or preference.

### ARTICLE V.

In case default shall be made as aforesaid, or in case default shall be made in the payment of the principal of any of the said bonds or any part thereof, or in the performance of any covenant of this indenture to be kept by the party of the first part, and in case any such default shall continue for the period of six months after demand duly made for such payment or performance, it shall then, but not sooner, be lawful for said trustee, the party of the second part, after entry as aforesaid or other entry, or without entry personally or by its attorney or agent, to foreclose the equity of redemption to the property hereby conveyed by judicial intervention or legal proceedings, or to sell and dispose of all and singular the lands, railways, grants, rights of way, ways, licences, franchises, easements and other property, real, personal and mixed, and the corporate franchises, rights, privileges and immunities hereby conveyed or intended so to be, or of any part of the same from time to time, at public auction in the city of Minneapolis, Minnesota, and at such time or times as the said trustee may appoint, having first given notice of the time and place of such sale or sales, by advertisement to be published not less than once a week for six weeks in one or more newspapers in the cities of New York and Minneapolis respectively, and wherever else required by law, and to adjourn said sale or sales from time to time, in its discretion, and, if so adjourning to make the same at the time and place to which the same may be so adjourned, and upon any such sale, to make and deliver to the purchaser or purchasers of the property so sold, good and sufficient deed or deeds in the law for the same; which sales made as aforesaid, shall be a perpetual bar both in law and equity, against the party of the first part and all other persons whomsoever lawfully claiming or to claim the said lands, railways, grants and property and the said corporate franchises so sold or any part thereof, from or under it; and after deducting from the proceeds of any such sale, just allowances for all disbursements and expenses of the said sale including attorney's and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by the said trustee in operating or maintaining the said railways, or in managing its business while in possession, and all payments which may have been made by it for taxes or assessments on the said premises or any part thereof, as well as compensation for its own services, to apply the said proceeds to the payment of the principal of such of the aforesaid bonds as may be at that time unpaid, whether or not the same shall have previously become due, and of the interest which shall at that time have accrued on the said principal and be unpaid, without discrimination or preference, to the aggregate amount of such unpaid principal and accrued and unpaid interest; and if after satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said party of the first part, or to whomsoever may be lawfully or equitably entitled to receive the same, or as some court of competent

jurisdiction shall direct. And it is hereby declared that the receipt of the said trustee shall be a sufficient discharge to the purchaser or purchasers of the premises, his or their heirs, executors, administrators or assigns, and they shall not, after payment thereof and having such receipts, be liable to see to its being applied upon or for the trusts and purposes of these presents or in any manner whatsoever be answerable for any loss, missapplication or non-application of such purchase money or any part thereof, or be obliged to enquire into the necessity, expediency or authority of, or for any such sale and in case default shall be made as aforesaid and suit to foreclose this mortgage be brought, the said trustee or its successors, shall be entitled to apply to any court of competent jurisdiction for the appointment of a receiver of all the said mortgaged property, and of all the rents, incomes, profits, tolls, issues and revenue of the said railway or railways, from whatsoever source derived; and thereupon it is hereby expressly covenanted and agreed that such court shall forthwith appoint a receiver of such mortgaged property, and of such rents, incomes, profits, tolls, issues and revenues, with the usual powers and duties of receivers in like cases; and if such receiver be nominated and designated by the holders of a majority of the bonds which these presents are executed to secure, then that such appointment shall be made by the said court as a matter of strict right to the party of the second part and to the bondholders represented by it, and without reference to the adequacy or inadequacy of the value of the premises and property hereby mortgaged to fully secure the payment of the said bonds, or to the solvency or insolvency of the party of the first part to these presents; and such rents, incomes, profits, tolls, issues and revenues to be applied by such receiver according to law and the orders and practice of such court.

#### ARTICLE VI.

In case default shall be made in the payment of any of the said coupons, or semi-annual interest upon any of the aforesaid bonds, at the time and in the manner required by the coupons issued therewith, provided the said coupon has been presented and the payment of the interest therein has been demanded; or in case any default shall be made by the said party of the first part in the performance of any covenant by it to be performed under the terms of this indenture, and in case such default shall continue for the period of four months after the said coupon shall have become due and payable or after the time when such covenant is to be performed and a demand by the trustee of such performance, as the case may be, then and thereupon the principal of all the bonds secured hereby shall become immediately due and payable, anything contained in the said bonds to the contrary notwithstanding. But a majority of the holders of said bonds may, by an instrument in writing signed by such majority and filed with the party of the second part, waive the right to consider the principal due by reason of such default, on such terms and conditions as such majority shall deem proper; provided that no action of the bond-holders shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom.

#### ARTICLE VII.

The party of the first part shall, from time to time, and at all times hereafter, and as often as thereunto requested by the trustee, the party of the second part, execute, deliver and acknowledge all such further deeds, conveyances and assurances in the law for the better assuring the trustee upon the trusts herein expressed, the said lands, railways, grants and other property and appurtenances hereinbefore mentioned and conveyed, or intended so to be conveyed, as well as the corporate or other franchises, rights, privileges and immunities before mentioned and conveyed, or intended to be conveyed, as by the trustee, or by its counsel learned in the law, shall be reasonably advised, devised or required.

#### ARTICLE VIII.

The trustee shall have full power in its discretion upon the written request of the party of the first part, to convey, by way of release or otherwise, to the said company, or to the persons designated by the said company, any lands, acquired in any way or held for sale, or for the purpose of stations, depots, shops or other buildings, or which may have been held for a supply of fuel, gravel or other materials, and to release the same from the lien, or operation of this mortgage; provided, however, in each case that in the judgment of the trustee such lands shall not be necessary or material for present or future use in connection with said railways; and also to convey as aforesaid, on like request, any lands not occupied by track which may become disused by reason of a change of the location of any station-house, depot, shop or other building as the said company may deem it expedient to disuse or abandon by reason of such change and to consent to any such change, and to such other changes in the location of the tracks or depots or other buildings, as in its judgment shall have become expedient, and to make and deliver the conveyances necessary to carry the same into effect; but any lands which may be acquired for permanent use, in substitution for any so released, shall be conveyed to the trustee upon the trusts of these presents, and no property shall be released or conveyed which in the judgment of the said trustee shall be essential or material to the security of the holders of the aforesaid bonds. And the trustee shall have full power to allow the said company, from time to time, to dispose of, according to its discretion, such portion of the equipments, machinery, implements and personal property at any time held or acquired for the use of the said railways, as may have become unfit for such use, replacing the same by new, which shall then become subject to the operation of these presents and which is hereby expressly conveyed to said trustee, subject to such operation; and no bonds secured hereby shall be



issued to pay for real estate, machinery and equipment hereafter purchased, and buildings hereafter constructed until after the application thereto of the full proceeds of all sales of real estate, buildings, machinery, implements and personal property, or any or either thereof which shall have been disposed of or conveyed as in this article provided.

#### ARTICLE IX.

It is hereby declared and agreed that it shall be the duty of the trustee, upon proper indemnification against costs and expenses, to execute the power of entry hereby granted, or the power of sale hereby granted, or both, or to take appropriate proceedings in equity or at law, to enforce the rights of the bondholders under these presents in case of any default made by the party of the first part upon requisition in writing, as hereinafter specified, viz:

1. If the default be as to either the interest or the principal, of any of the bonds aforesaid, such requisition upon the said trustee shall be by holders of not less than twenty-five per centum of the said bonds then outstanding; and upon such requisition and indemnification it shall be the duty of the trustee to enforce the rights of the bondholders under these presents by entry, sale, or legal proceedings, as it being advised by counsel learned in law, shall deem most expedient for the interest of all the holders of said bonds.

2. If such default shall be in the performance of any other of the covenants of this indenture, such requisition shall be by the holders of not less than a majority in interest of the holders of the said bonds then outstanding. But it is expressly understood that such duty of the trustee shall be at all times subject to the power herein declared of a majority in interest of the holders of the said bonds by requisition in writing signed by such majority to instruct the said trustee to waive such default, provided however, that no action of the bondholders, in waiving such default shall extend to or be taken to affect any subsequent default or impair the result arising therefrom. And it is hereby further expressly agreed and made binding upon each and every holder of bonds secured hereby, that no proceedings at law or in equity, shall be taken by any holders to foreclose the equity of redemption or to procure a sale of the property covered thereby independently of the party of the second part, trustee, or its successor or successors in the trust, except after a requisition shall have been made to the said trustee in manner and form as hereinbefore provided. and also until after refusal by the said trustee to comply with such requisition according to the provisions herein made in respect thereto.

It being understood and hereby expressly declared that the rights of entry and sale hereinbefore granted are intended as cumulative remedies, additional to all other remedies allowed by law, and that the same shall not be deemed in any manner whatsoever to deprive the said trustee or trustees, or the beneficiaries under this trust, of any legal or equitable remedy, by judicial proceedings consistent with the provisions of these presents.

#### ARTICLE X.

It is expressly understood and provided that the present or any future trustee under this indenture may resign and discharge itself or himself of the trusts created by these presents, by notice in writing to the party of the first part and to any other existing trustee or trustees, sixty days before such resignation shall take effect, or by such shorter notice as said party of the first part and such other trustee or trustees may accept as adequate, and upon due and proper accounting in respect to its or his trusteeship, and execution of the conveyances hereinafter required; also that any trustee or trustees, now or at any time hereafter appointed under this indenture, may be removed and a new trustee or new trustees may be appointed, or any vacancy in the office of any such trustee, occurring in any manner, or at any time, may be filled by a majority in interest of the holders of the aforesaid bonds, then outstanding, acting in person or by attorney, by an instrument or instruments in writing under their hands and seals; and thereupon the trustee or trustees so appointed shall become vested, in common with any surviving or continuing trustee, with all the powers and authorities granted to or conferred upon the party of the second part by these presents, and all the rights and interests requisite to enable him or them to execute the purposes of this trust, without any further assurance or conveyance, but the surviving or continuing trustee shall immediately execute all such conveyances and instruments as may be fit or expedient, for the purpose of conveying and assuring the legal estate in the premises to the trustee or trustees so appointed, jointly with himself, and

The said party of the first part hereby covenants to make, execute and deliver such other or further instruments, deeds, indentures or assurances as may be necessary to enable the person or persons or corporation so appointed to execute the trust hereby created and declared as fully and perfectly, in all respects, as he or they or it could have executed the same if originally made a party or parties of the second part to this indenture. And any trustee so resigning or removed shall immediately execute a deed or deeds of conveyance to vest all his right and interest in said trust property in such new trustee, and upon the trusts herein expressed.

#### ARTICLE XI.

And it is hereby further provided, declared and agreed that in case of such sale as hereinbefore authorized being made by the party of the second part, or its successor or successors in said trust, or in

case of any judicial sale being made of the said premises, properties, rights and franchises hereby mortgaged, or any part thereof, in enforcement of the mortgage lien hereby created, the purchaser or purchasers at such sale shall be entitled, in making settlement for and payment of the purchase money bid- den at such sale, to turn in or use towards the payment of such purchase money the bonds held by such purchaser or purchasers to or towards the payment whereof the net proceeds of such sale shall be le- gally applicable; reckoning such bonds, or the amount so turned in or used of the same for such pur- pose, at such sum as shall be payable out of the net proceeds of such sale to such purchaser or purchasers, as holder or holders of such bonds, for his or their just share or proportion of such net proceeds of sale, upon due apportionment of and concerning such net proceeds, due receipts and acknowledgments be- ing thereupon given by the holders of such bonds for the amount thus realized thereon, by reason of turning in or using the same as aforesaid, and the said bonds being (if the net proceeds of such sale shall be sufficient to extinguish them) delivered up to the person or persons making the sale and entitled to receive payment of the purchase money, or (if such net proceeds shall only suffice to make a partial payment of such bonds) due endorsement being made upon said bonds of the amount so realized on ac- count thereof.

#### ARTICLE XII.

It is mutually agreed that the term of words "Trustee" and "said Trustee" as used in this Indenture, shall be held and construed to mean the trustee or trustees for the time being.

#### ARTICLE XIII.

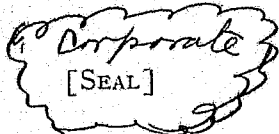
It is further agreed that the said trustee shall not be answerable for any error or mistake made by it in good faith, but only for gross negligence or wilful default in the discharge of its duties as such trustee.

#### ARTICLE XIV.

The said party of the First part hereby covenants to and with the said party of the Second part, its successor or successors in the trust hereby created, and with such persons, firms or corporations as shall from time to time become or be the holders of any of the said issue of bonds, that the party of the first part, its successors and assigns, shall and will well and truly pay each and every of the bonds se- cured by this Indenture, in gold coin, together with the semi-annual interest to become due thereon at the rate of five per centum per annum, in gold coin; that it, the said party of the first part, and its suc- cessors and assigns, shall and will at all times hereafter keep open a financial agency in the City of New York for the payment of the principal, and interest of and upon the bonds hereinbefore recited and de- scribed as the same shall become payable and for the transfer and registration of the said bonds, and that until notice of the establishment of such agency shall have been given by the party of the first part by advertisement published each week day for a period of two weeks in a daily newspaper published in the City of New York, the said Farmers' Loan & Trust Company, of New York, shall be deemed to be the agency of the party of the first part for the purposes aforesaid; and hereby further covenants, that the said party of the first part is the owner of all and singular the property above conveyed, and has just right and lawful authority to convey the same and every part thereof in manner and form aforesaid; and hereby further covenants and agrees, that the said party of the first part shall pay and discharge all taxes and other charges which are, or hereafter may be, lawfully levied or made upon the property herein described and hereby conveyed, or upon any part thereof, as and when the said taxes and charges shall become due and payable, and to protect and preserve the said property and every part thereof from liens and incumbrances, which would be prior or superior to the lien created by this In- denture, and to use the mortgaged premises without waste; and further covenants and agrees to waive and release, and does hereby waive and release the benefit of every extension, stay, redemption or ap- praisement law which has been or may hereafter be enacted; and hereby further covenants that the said party of the first part, the above described premises and every part and parcel thereof unto the said party of the second part, its successor or successors in the trust hereby created against all and every person or persons lawfully claiming or to claim the same or any part thereof, shall and will warrant and forever defend.

*In Witness Whereof*, the said party of the first part has caused its corporate seal to be hereunto affixed and attested by its secretary, and this Indenture to be signed officially by its president, or in his absence, its vice president, at the office of the party of the first part, the day and year first above written. And the said party of the second part, to signify its acceptance of the trusts herein expressed, has caused its corporate seal to be hereunto affixed and attested by its secretary and these presents to be signed of- ficially by its president the day and year aforesaid.

THE MINNEAPOLIS, LYNDALE AND MINNETONKA RAILWAY COMPANY.



By Fred B. Pillsbury  
President.

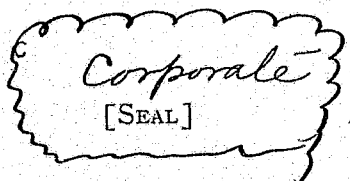
ATTEST:

R. S. Mackay  
Secretary,

Executed by THE MINNEAPOLIS, LYNDAL AND MINNETONKA  
RAILWAY COMPANY, in presence of

R. A. McWilliams  
Oliver B. Semple

THE FARMERS' LOAN AND TRUST COMPANY,



witness  
W. B. Cardozo

By R. G. Rolston

President.

ATTEST:

Wm H Leupp  
Secretary.

Executed by THE FARMERS' LOAN AND TRUST COMPANY,  
of the City of New York, in the presence of

Edwin F. Corey  
W. B. Cardozo

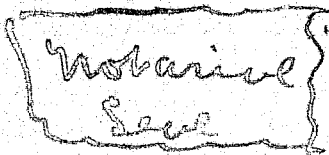
STATE OF MINNESOTA,

COUNTY OF HENNEPIN.

ss.

On this 17th day of June A. D. 1887, before me, the undersigned, a Notary Public, in and for said County of Hennepin, duly commissioned and qualified, personally came Fred. C. Pillsbury, President, and P. S. Mackay, Secretary of the Minneapolis, Lyndale and Minnetonka Railway Company, to me respectively and personally known to be such President and such Secretary and to be the identical persons who executed the foregoing instrument, and whose names are thereunto subscribed as such officers, and each being by me duly sworn, did each for himself depose and say, the said Fred. C. Pillsbury, that he is the President of the Minneapolis, Lyndale and Minnetonka Railway Company, and the said P. S. Mackay that he is the Secretary of said Company; that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and each acknowledged said instrument to be the free act and deed of said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year first above written.



Oliver B. Semple

Notary Public, Hennepin County, Minnesota.

STATE OF NEW YORK,

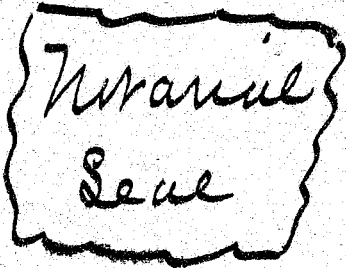
CITY AND COUNTY OF NEW YORK.

ss.

Be it remembered that on this 28th day of June in the year one thousand eight hundred and eighty-seven, before the undersigned... Edwin F. Corey... a Notary Public in and for the County of New York, duly commissioned and qualified, personally appeared... Rosewell L. Rolston... personally known to me to be the President and... Wm H. Leupp... personally known to me to be the Secretary of The Farmers' Loan and Trust Company of the City of New York; and to be the identical persons who executed the foregoing Deed of Trust for and in behalf

of the party of the second part, as Trustee, and whose names are thereunto subscribed as such officers, and each being by me duly sworn did each for himself depose and say the said... *Rosewell E. Rolston*... that he is the President of The Farmers' Loan and Trust Company of New York, and the said... *Wm H. Leupp*... that he is the Secretary of said company; that the seal affixed to said instrument is the corporate seal of said company, and that said instrument was signed and sealed in behalf of said company by authority of its Board of Directors and each acknowledged said instrument to be the free act and deed of said company.

*In Witness Whereof*, I have hereunto set my hand and affixed my official seal the day and year first above written.



*Edwin F. Corey*  
Notary Public



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Office of REGISTER OF DEEDS,  
COUNTY OF HENNEPIN,  
STATE OF MINNESOTA.

I hereby certify that the within *intgo*  
was filed for record in this office on the  
1<sup>st</sup> Day of July A.D. 1887 at *St. Paul*  
M., and was duly recorded in Book  
..... of ..... Page .....

J no. J Peterson  
REGISTER OF DEEDS  
By *W. A. Plummer*  
DEPT

*Raid*