

## Article I

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"to be charged to Capital Accounts at the original cost thereof when first devoted to railroad purposes, the excess of such original cost over the cost or investment of the Company therein, and (b) the aggregate principal amount of any indebtedness secured by Prior Liens thereon and by lien on any Equipment included therein, whether or not assumed or guaranteed by the Company; and, when used with reference to Bondable Equipment, shall mean the amount properly charged to Road and Equipment Account as the cost or investment of the Company in Equipment; and, when used with reference to Railroad Subsidiary Bonds and Railroad Subsidiary Stocks, shall mean the amount properly charged to investment accounts in accordance with the Uniform System of Accounts as the cost or investment of the Company therein.

"Cost of Additions and Betterments" shall mean the amount properly charged to Road and Equipment Account as the cost or investment of the Company therein.

"Daily Newspaper" shall mean, with respect to any City or Borough, a newspaper printed in the English language and customarily published on each business day and of general circulation in such City or Borough.

"Debt Securities" shall mean Prior Lien Bonds and the bonds, notes, certificates of indebtedness and other obligations and claims for the payment of money of any corporation or analogous legal entity other than the Company.

"Emergency First Mortgage Bonds" shall mean all First Mortgage Bonds issued pursuant to the provisions of Section 2 of Article III of the First Mortgage that are Outstanding First Mortgage Bonds.

"Engineer" shall mean, as of any particular time, the Chief Engineer of the Company or his principal assistant.

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"Engineer's Certificate" shall mean a certificate signed and verified by the Engineer and dated not more than 60 days prior to the delivery thereof to the Corporate Trustees.

"Equipment" shall mean locomotives, power-propelled or operated; passenger, freight, mail, express, baggage or other railway cars, work cars, buses, tractors, trailers, trucks, automobiles, aircraft, boats, vessels, tugs, lighters, barges, ferries and any and all other vehicles and conveyances used for the transportation of passengers, employees, freight, mail, express, baggage and materials by land, air or water.

"Equipment Obligation" shall mean with respect to the Company any obligation or guaranty of the Company (other than Bonds and First Mortgage Bonds), and with respect to a Railroad Subsidiary any obligation or guaranty of such Railroad Subsidiary, issued under and secured by a right, charge, lien or title with respect to Equipment evidenced by an equipment trust agreement, conditional sale agreement, rental agreement, lease, chattel mortgage or other such instrument.

"Equipment Sinking Fund" shall mean any sinking fund established pursuant to the provisions of Section 2 of Article VII for the retirement of Bonds.

"Event of Default" shall mean any event defined as such in Section 2 of Article XVI.

"First Mortgage" shall mean the indenture executed and delivered by the Company to The First National Bank of Chicago and Joseph C. Williams, as trustees, dated as of January 1, 1948, as amended, modified or supplemented from time to time, or any mortgage having a substantially equivalent lien.

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"First Mortgage Bonds" shall mean all bonds authenticated and delivered under the First Mortgage.

"Fixed Interest" shall mean, with respect to the Bonds or other obligations of the Company, the interest thereon to the extent that such interest is payable unconditionally.

"Fixed Property" shall mean all property the cost of which, at the time of acquisition or construction, was properly chargeable to Road and Equipment Account, except Equipment and except property having a Life Expectancy of less than 25 years when acquired or constructed by the Company.

"Independent Engineer" shall mean any individual, partnership or corporation engaged in the engineering business and satisfactory to the Corporate Trustees, provided such individual, partnership or corporation is in fact independent and neither such individual nor any partner of such partnership nor any officer or director of such corporation is an officer, director or employee of the Company or of any Railroad Subsidiary.

"Independent Engineer's Certificate" shall mean a certificate signed and verified by an Independent Engineer and dated not more than 60 days prior to the delivery thereof to the Corporate Trustees.

"Individual Trustee" shall mean Gale F. Johnston or any individual who shall be his successor as a Trustee under the Mortgage.

"Life Expectancy," when used with respect to Additions and Betterments, or with respect to Equipment, shall mean the estimated number of years of useful life thereof in the transportation service of the Company, from the date of acquisition or construction thereof by the Company, with

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reasonable maintenance, replacements and repairs, as evidenced by an Engineer's Certificate delivered to the Corporate Trustees.

"Mortgage" shall mean this indenture as originally executed or as the same may be supplemented, modified or amended from time to time.

"Net Cost," when used in connection with any Application with respect to Additions and Betterments, shall mean the Cost of such Additions and Betterments minus:

(a) The aggregate amounts credited to Road and Equipment Account prior to the date of such Application, in accordance with the requirements of the Uniform System of Accounts, by reason of the retirement of any of such Additions and Betterments; and

(b) The aggregate amounts provided by the Company prior to the date of such Application for depreciation of such Additions and Betterments.

"Officers' Certificate" shall mean a certificate, which is signed and verified by the President or a Vice President and by the Chief Accounting Officer of the Company and dated not more than 60 days prior to the delivery thereof to the Corporate Trustees, and which conforms to the requirements of Section 2 of Article XX, when applicable.

"Opinion of Counsel" shall mean a written opinion of counsel, who shall be satisfactory to the Corporate Trustees and who may be counsel for the Company, and dated not more than 60 days prior to the delivery thereof to the Corporate Trustees, and which conforms to the requirements of Section 2 of Article XX, when applicable.

"Outstanding Bonds" shall mean, as of any particular date, all Bonds of all series when no particular series is specified in the context, or all Bonds of any specified series, whether in the