South & North Alabama Rail Road Company To. Stevenson & Buell.

The United States of America
State of Alabama }
Montgomery County }

First Mortgage and Trust Deed of the South and North Alabama Railroad Company.

This Indenture of Mortgage made this nineteenth day of January in the year of our Lord eighteen hundred and Seventy by and between the South and North Alabama Rail Road Company a Corporation duly chartered by the laws of the State of Alabama the party of the first part and Vernon K. Stevenson and James Buell of the City and State of New York, Trustees, upon Certain Trusts hereinafter specified the party of the second part: Whereas the State of Alabama by the act of February 19th 1867 entitled an act to establish a system of internal improvements in the State of Alabama and an act of the 22 of September 1868 entitled an act to amend the law to establish a system of Internal Improvements in the State of Alabama has become and is bound to indorse the First Mortgage Bonds of the South and North Alabama Railroad Company, upon the terms contained in the aforesaid Acts. And whereas the Directors of the said Railroad Company at a meeting duly held in the City of Montgomery in the said State, on the Seventeenth day of January 1870 did, by a vote of the said directors enact and adopt a resolution of which the following is a copy: Resolved 3d: That in lieu of the Resolution adopted Oct 5th 1869. the President is hereby authorized to issue the First Mortgage Bonds of the Company for three millions ($3.000.000) of dollars. Covering the road, franchise and property of the Company from Montgomery to Decatur; said Bonds to be issued in deed from Two millions ($2.000.000) in sums of One thousand ($1.000) dollars in American Gold. payable in New York or Two hundred pounds Sterling, payable in London, and One million in sums of five hundred dollars in American Gold. payable as above in New York, or one hundred pounds sterling payable also as above in London; interest at 8 per cent. payable semi-annually in Gold or Sterling free of Government tax; and to secure the payment of said Bonds and the interest thereon the President is hereby authorized to execute a deed of trust on the road. franchise and property of the Company as above. —

And whereas the bonds authorized by said resolution, with the Coupons or warrants for the semi annual interest thereon have been prepared and executed by the

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signatures of F. M. Gilmer Jr. President and Thomas B. Maddox, Treasurer signed thereto. Two thousand (2.000) of the said bonds being for the sum of One thousand ($1.000.) dollars in American Gold Coin, or two hundred pounds ($£200) Sterling, payable on the first day of January 1890 to the bearer at the office or agency of said Company in the City of New York, or in the City of London, England, being numbered from One to two thousand inclusive and two thousand, similar in all respects, except that they are respectively for the sum of five hundred ($500.) dollars, or one hundred pounds ($£100) Sterling, and numbered from one to two thousand inclusive, amounting in the aggregate to three Million ($3.000.000) dollars in American Gold Coin, or six hundred thousand pounds ($£600.000.) Sterling.

And whereas said bonds have been prepared with the view of obtaining the indorsement thereof of the State of Alabama in pursuance of the acts of the General Assembly of said State, upon the compliance by the said Company with the requirements of the said acts.

Now therefore, in order to carry fully into effect the said resolution, and to provide an ample indemnity to the State for the indorsement by it of the said bonds, as the said Company shall be entitled thereto, and to secure to the holders of said bonds the prompt payment of the principal and interest thereof. This indenture Witnesseth.- That the South and North Alabama Railroad Company, party of the first part, in consideration of the premises, and for the further consideration of one dollar to it paid by the said party of the second part Trustees as aforesaid doth hereby grant, bargain, sell enfeoff, release, assign and convey unto the said Vernon K. Stevenson and James Bull, Trustees as aforesaid, party of the second part, and to their successors and assigns, (all and singular the entire railroad of the party of the first part extending from Montgomery to Decatur, being about 183 miles in all, at present unfinished, including all the railways, ways, rights of way, depot grounds and other lands,) all tracts, bridges, culverts, viaducts, fences and other structures all depots, station houses, engine houses, car-houses and other buildings, whether now constructed and held or hereafter constructed or acquired for use in connection with said railroad or the business thereof: and including all locomotives, cars tenders, and other rolling stock or equipments, and all machinery, tools, implements or material for the constructing repairing, replacing or operating said railroad or its equipments or appurtenances and all rights,

easements and franchises connected with or appurtenant or relating to said railroad, or the construction use and maintenance thereof, now held or which may hereafter be acquired by the said party of the first part, with the tolls, income and profits thereof. To have and to hold the property and rights, ways, easements and franchises above conveyed to them, the said Trustees, party of the second part, as joint tenants, and to the survivor of them and the heirs and assigns of the survivor. In trust nevertheless for the purposes herein expressed. To wit:

Article First.— Unless default shall be made in the payment of principal or interest of said bonds or any of them, the said party of the first part shall be suffered to possess, manage, construct and operate the said Railroad and all the property and rights above conveyed, and to take use and enjoy all the tolls income and profits thereof in the same manner as if this deed had not been executed.

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Article Second - In case default shall be made in the payment of any interest on any of the said bonds issued or to be issued according to the tenor of the Coupons or warrants thereto annexed, and in case such default shall continue for the space of six months, it shall be lawful for the said trustees or the survivor of them or their or his successors in person or by their or his attorney or agent to enter upon and take possession of all and singular the Railroad and all other property, rights and franchises above conveyed, and to have, hold and use the same operating by their or his superintendents, managers, receivers, agents and servants, and thus conducting all the business thereof and making from time to time, such repairs and replacements and such usefull alterations, additions or improvements thereto as may seem to them or him judicious for the preservation or rendering productive the said property, and collect and receive all tolls, freights, rents, income and profits thereof and shall also collect all debts, dues & demands, due and owing to said party of the first part & at the time uncollected; and after deducting the expense of operating said Railroad and conducting its business and of all the repairs, replacements & additions thereto & all taxes & other charges which may be their liens on the said property superior to the rights of the said Trustees shall apply the net proceeds arising as aforesaid to the payment of the interest on said bonds in the order in which such interest shall have become due, or shall become due, and if insufficient to pay the whole then ratably to the persons holding said coupons evidencing the right to such interest, and after the payment of the interest, then to the ratable payment without

discrimination or preference of the principal of the bonds if the same shall have become due, - and if the principal shall have not become due and the net profits shall be more than sufficient to pay the interest accrued and payable then such excess shall be invested as a fund to meet future payments of interest or to pay the principal at maturity -

Article Third:- In case default shall be made and continue for six months in the payment of any of said interest or in case default shall be made in the payment of any of the principal of said bonds or any of them and shall continue for the space of six months, then it shall likewise be lawful for the said Trustees or the survivor of them or their or his successors or successor after entry as aforesaid or without actual entry personally or by his or their attorney or agents, to sell and dispose of all and singular the railroad & other property herein conveyed, assigned or intended to be assigned or conveyed, at public auction, either in the City of New York, in the State of New York, or in City of Montgomery in the state of Alabama, as they or he may think best, and such time as they or he may appoint, having first given notice of the time & place of such sale by advertisement thereof for ninety days in a newspaper published in the City of New York, and in one published in the City of Montgomery, and to adjourn said sale from time to time at discretion, and if so adjourned to make the same at the time & place to which it was so adjourned & upon such sale to make and execute to the purchaser or purchasers of the property so sold, good & sufficient conveyances for the property so sold in fee simple, in the name of the party of the first part, and such sale & conveyance made as aforesaid, shall be a perpetual bar, both in law & in equity against the party of the first part, & all persons claiming by, through or under it; and after deducting all just & proper expenses attending said sale, and attending or incurred by operating preserving or managing said railroad and property under the provisions of this deed, shall apply the proceeds thereof to the payment of the interest then accrued, and to the payment of the principal of the bonds, whether the principal be then due or not, and if insufficient to pay the whole then the proceeds of the sale shall be applied after payment of the interest accrued to the holders of the coupons for the same ratably & without discrimination to the payment of the principal of said bonds to the holders thereof, and if, after satisfaction thereof, a surplus shall remain, then the said surplus shall be paid to the party of the first part. And it is hereby declared that the receipt & acquittance of the said Trustees, or the survivor of them.

or of their successors or successor, shall be a complete discharge to the purchaser or purchasers for his or their purchase money, and he or they shall not be accountable in any manner for its application to the purposes of the above Conveyance.

Article Fourth.— At any sale made under the provisions of this deed the Trustee or Trustees making such sale shall, if so required in writing by the holders of a majority in amount of said bonds, cause the said property to be bid for and purchased in behalf of all the holders of the bonds secured by this deed at a price not exceeding the whole amount of said bonds then outstanding, with the interest accrued thereon.

Article Fifth:— The Trustees shall have full power at their discretion, so long as no default shall exist in the payment of interest or principal of said bonds, upon the written request of the President of said Railroad Company, to release or convey to the person or persons designated by the said President, and on the terms indicated by him, any bonds, lands or other property which in the judgement of said President and Trustees may not then be necessary for the use in connection with the said Railroad.

Article Sixth:— It shall be the duty of the Trustees to exercise the power of entry or the power of sale herein granted, or to take other proceedings to enforce the rights of the bondholders under this deed upon the requisition in writing of the holders of as much as two hundred thousand dollars ($200.000), or forty thousand pounds Sterling of said bonds, and upon such requisition, and a proper indemnification by the persons making the same to the Trustees against the probable expenses of the Trustees in executing the same, it shall be the duty of the Trustees to proceed at once to enforce the rights of the bondholders either by entry, sale or legal proceedings as they under the advice of counsel, shall deem most conducive to the interest of all the holders of said bonds.

Article Seventh:— It is expressly agreed and understood that all the grants and powers in this instrument specified and embraced are in aid of, and subrination to, the rights of the State of Alabama, as the endorser of said bonds as they shall be endorsed by the State, under the provisions of the Acts of the General Assembly of said State herein referred to.

Article Eighth:— If the party of the first part shall promptly pay the interest of said bonds as it becomes due, and the principal of said bonds at maturity thereof, according to the tenor and effect thereof, and of said Coupons attached thereto, then this conveyance shall be void; otherwise it shall remain in full force and effect.

(L. S.) In ~~witness~~ testimony whereof, The South and North Alabama

Railroad Company hath executed this conveyance by causing its Corporate seal to be attached hereto, and the same to be signed by its President, H. M. Gilmer Jr., and its Secretary, Thos. B. Madden, on the day and year first herein written, in the presence of Henry le. Temple and Le. J. Trotti, who subscribe their names hereto as witnesses.

H. M. Gilmer Jr.,
President

Thos. B. Madden,
Secretary.

Witnesses—
Henry le. Temple.
Le. J. Trotti.

New York February 5th 1870:

I hereby certify that the bonds of the South and North Alabama Railroad Company described in the within mortgage amounting in the aggregate to three millions of dollars have been duly stamped at the office of the American Phototype Co 24 Vesey Street N. York City with the full amount of stamps required.

Alonzo Merwin Agt.

State of New York }
City of New York } We, Vernon K. Stevenson and James Bull of the City of New York, do hereby consent to take upon us the execution of the trusts conferred on us by the within deed.

Witness our hands and seals this the 29th day of January A.D. 1870

James Bull (LS)
V. K. Stevenson (LS)

State of New York } This day came before me Dennis Shea, a
City of New York } notary public, in and for the City of New York, Vernon K. Stevenson and James Bull, who are known to me, and acknowledged before me that the contents of the within conveyance being known to them they executed the same this day voluntarily, so far as to accept and undertake the trusts conferred on them thereby.

Witness my hand and seal notarial, this 28th day of January A.D. 1870.

(Notarial seal)

D. Shea,
Notary Public
New York City & Co.