History of The Cleveland Cincinnati Chicago and St Louis Railway Company

History of The Cleveland Cincinnati Chicago and St Louis Railway and its predecessors from the 1913 Annual Report of The New York Central Railroad

THE CLEVELAND CINCINNATI CHICAGO AND St LOUIS RAILWAY COMPANY

This company was organized by the consolidation, effective June 30, 1889, of the Cleveland Columbus Cincinnati and Indianapolis Railway Company, the Cincinnati Indianapolis St Louis and Chicago Railway Company, and the Indianapolis and St Louis Railway Company, articles of incorporation being recorded with the Secretary of the State of Indiana, June 8, 1889, and with the Secretary of the State of Ohio, June 27, 1889.

CLEVELAND COLUMBUS CINCINNATI AND INDIANAPOLIS RAILWAY COMPANY

The Cleveland Columbus Cincinnati and Indianapolis Railway Company was a consolidation under date of May 14, 1868, under an agreement of April 10, 1868, of The Bellefontaine Railway Company and the Cleveland Columbus and Cincinnati Railway Company, the certificate of consolidation being filed with the Secretary of the State of Ohio, May 16, 1868.

THE BELLEFONTAINE RAILWAY COMPANY

This company was a consolidation of the Indianapolis Pittsburgh and Cleveland Railroad Company and the Bellefontaine and Indiana Railroad Company, the certificate of consolidation having been filed with the Secretary of the State of Indiana, December 20, 1864, and with the Secretary of the State of Ohio, December 26, 1864.

THE CLEVELAND COLUMBUS AND CINCINNATI RAILWAY COMPANY

This company was originally chartered March 14, 1836. The charter was allowed to lapse, and was revived March 12, 1845, and February 21, 1851, the first train ran through from Cleveland to Columbus. Under the general law of Ohio of March 3, 1851, it was consolidated with the Bellefontaine Railroad Company. On May 14, 1868, the two formed the Cleveland Columbus Cincinnati and Indianapolis Railway Company. When the Cleveland Columbus Cincinnati and Indianapolis Railway Company became part of The Cleveland Cincinnati Chicago and St Louis Railway Company by consolidation, it carried with it a lease of the Cincinnati and Springfield Railway Company

CINCINNATI AND SPRINGFIELD RAILWAY COMPANY

This company was incorporated September 9, 1870, and its road completed January 1, 1872, between Cincinnati and Dayton. Anticipating its completion, the line was leased by the Cleveland
Columbus Cincinnati and Indianapolis Railway Company January 24, 1871, lease effective January 1, 1872, running nine hundred and ninety-nine years. This lease conveyed to the Columbus Cincinnati and Indianapolis Railway Company, the line between Cincinnati and Dayton, including the lease to the Cincinnati and Springfield Railway Company of the use of part of the Baltimore and Ohio South Western Railroad Company's track between Cincinnati and Ludlow Grove, Ohio, under contract dated May 6, 1871. In January 1913, this company was merged in and became a part of The Cleveland Cincinnati Chicago and St Louis Railway Company by conveyances pursuant to the statutes of Ohio. The capital stock of this company as authorized was 22,000 shares of the par value of $1,100,000.00, of which 18,332 shares, par value $916,600.00, were issued. The Cleveland Cincinnati Chicago and St Louis Railway Company owns 17,812 shares, par value $890,600.00, of this company's stock.

CINCINNATI INDIANAPOLIS ST LOUIS AND CHICAGO RAILWAY COMPANY

This company (part of The Cleveland Cincinnati Chicago and St Louis Railway Company by consolidation) was incorporated under the laws of Indiana of March 3, 1865, and amendment of December 20, IS65, articles filed with the Secretary of the State of Indiana, March 6, 1880. The certificate was not filed with the Secretary of the State of Ohio, until March 20, 1883. This company was the successor after foreclosure sale, February 2, 1880, of the Indianapolis Cincinnati and Lafayette Railroad Company, a consolidation, February 14, 1867, of the Indianapolis and Cincinnati Railroad Company (change of name October 4, 1853, of the Lawrenceburg and Upper Mississippi Railroad Company chartered January 21, 1850, laws of Indiana), the Lafayette and Indianapolis Railroad Company (chartered January 19, 1846), and the Cincinnati and Indiana Railroad Company (chartered April 4, 1861), the combined roads forming a through line from Cincinnati, Ohio, to Lafayette, Indiana. Underlying the Cincinnati Indianapolis St Louis and Chicago Railway Company, the following properties which have separate corporate existences, being controlled by ownership of stock, etc.

CINCINNATI LAFAYETTE AND CHICAGO RAILROAD COMPANY

This road was the result of the consolidation under date of March 28, 1872, of the Cincinnati Lafayette and Chicago Railroad Company of Indiana, incorporated March 18, 1865, the Cincinnati Lafayette and Chicago Railroad Company of Illinois, incorporated July 10, 1871, and the Kankakee and Indiana Railroad Company was chartered in Illinois April 19, 1869, to extend from St Anne to Kankakee, Illinois, the final consolidated roads (February 15, 1873), forming a road extending from Templeton, Indiana, to Kankakee, Illinois. Leased to the Indianapolis Cincinnati and Lafayette Railroad Company January 1, 1874, lease effective same date running fifty yetrs. Controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through stock ownership and leise. On January 27, 1874, trackage rights between Lafayette, Illinois, and Templeton, Indiana, were acquire from the Lafayette Bloomington and Muncie Railroad Company (now The Lake Erie and Western Railroad Company).

COLUMBUS HOPE AND GREENSBURG RAILROAD COMPANY

This company was originally chartered as the Hope and Greensburg Railroad Company under the general laws of Indiana, January 29, 1880, the line being constructed between Hope and Greensburg, Indiana. Afterwards an extension was completed to Columbus, Indiana, and the name changed to the Columbus Hope and Greensburg Railroad Company. Articles of incorporation were filed with the Secretary of State, March 21, 1882, and the road was opened from Greensburg to Columbus, Indiana, April 10, 1884. Controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through stock ownership, leased to that company October 17, 1891, lease effective same date, expires on six months' notice.

VERNON GREENSBURG AND RUSHVILLE RAILROAD COMPANY

This company was incorporated under the general laws of Indiana, articles of association being filed July 11, 1879. Controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company.
Company through stock ownership. Leased to The Cleveland Cincinnati Chicago and St Louis Railway Company October 17, 1891, lease effective July 1, 1891, expires on six months’ notice.

**HARRISON BRANCH RAILROAD COMPANY**

This company was incorporated December 6, 1871, and after various changes was leased to the Indianapolis Cincinnati and Lafayette Railroad Company (predecessor of the Cincinnati Indianapolis St Louis and Chicago Railway Company) January 1, 1877, lease effective same date running ninety-nine years. Stock all owned by The Cleveland Cincinnati Chicago and St Louis Railway Company. In January, 1913, this company was merged in and became a part of The Cleveland Cincinnati Chicago and St Louis Railway Company by conveyances pursuant to the statutes of Ohio. The capital stock of this company as authorized was 4,000 shares of the par value of $200,000.00, all of which were issued and are owned by The Cleveland Cincinnati Chicago and St Louis Railway Company.

**THE FAIRLAND FRANKLIN AND MARTINSVILLE RAILROAD COMPANY**

This company was incorporated under the general laws of Indiana, articles of incorporation being filed with the Secretary of State, January 27, 1877. This corporation was successor to the rights of the Cincinnati and Martinsville Railroad Company which was incorporated under the general laws of Indiana, September 26, 1865. Controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of entire capital stock.

**THE CINCINNATI AND SOUTHERN OHIO RIVER RAILWAY COMPANY**

This company was formerly the Louisville Cincinnati and Dayton Railroad Company incorporated under the general laws of Indiana February 27, 1886, the certificate of incorporation under the new name of the Cincinnati and Southern Ohio River Railway Company, being filed with the Secretary of the State of Ohio, April 30, 1887. This road extends from Lawrenceburg to Aurora, Indiana, being part of the Aurora branch of the Big Four. Controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of entire capital stock.

**INDIANAPOLIS AND ST LOUIS RAILWAY COMPANY**

This company is the successor, by purchase under receiver's sale July 2, 1882, of the property of the Indianapolis and St Louis Railroad Company, which last named company was an incorporation under the general laws of Indiana and Illinois, the certificate of the reorganization being filed with the Secretary of the State of Indiana, August 28, 1867, and with the Secretary of the State of Illinois, March 19, 1869. This property extended from Indianapolis, Ind., to Terre Haute, Ind., and included a lease of the lines of the St Louis Alton and Terre Haute Railroad Company from Terre Haute, Indiana, to East St Louis, Illinois, which had been the subject of litigation, but a new lease was entered into February 23, 1883, between the Cleveland Columbus Cincinnati and Indianapolis Railway Company and the St Louis Alton and Terre Haute, Railroad Company by which the use of this property was confirmed to the Cleveland Columbus Cincinnati and Indianapolis Railway Company. On May 17, 1890, this leased line was transferred, to the Cairo Vincennes and Chicago Railway Company, the stockholders of the St Louis Alton and Terre Haute Railroad Company assenting to this transfer. This assent having been given, the laws of Illinois confirmed the right of purchase, and this was effected November 1, 1890, when the Cairo Vincennes and Chicago Railway Company purchased the road from Terre Haute to East St Louis with the Alton branch extending from East Alton to Alton, Illinois. The Cleveland Cincinnati Chicago and St Louis Railway Company has acquired by stock ownership and lease the following properties:

**CAIRO VINCENNES AND CHICAGO RAILWAY COMPANY**

This company is a reorganization under the laws of Illinois, under date of February 16, 1889, of the Cairo and Vincennes Railroad Company, the St Francisville and Lawrenceville Railroad
Company, and the Danville and Southwestern Railroad Company. On October 30, 1889, this road was leased to The Cleveland Cincinnati Chicago and St Louis Railway Company, lease effective January 1, 1890, running forty-nine years. On November 1, 1890, this company purchased part of the St Louis Alton and Terre Haute Railroad from Terre Haute to East St Louis, with branch from East Alton, to Alton, Illinois (see under Indianapolis and St Louis Railway Company). Both of these properties are now operated as part of the Cleveland Cincinnati Chicago and St Louis Railway. In January, 1913, this company was reorganized and became a part of The Cleveland Cincinnati Chicago and St Louis Railway Company, by conveyances pursuant to the statutes of Illinois. The capital stock of this company as authorized was 50,000 shares of the par value of $5,000,000.00, all of which were issued and are owned by The Cleveland Cincinnati Chicago and St Louis Railway Company.

CINCINNATI SANDUSKY AND CLEVELAND RAILROAD COMPANY

This company was incorporated January 11, 1868, as the successor of the Sandusky and Cincinnati Railroad Company, which was a reorganization under date of July 2, 1866, of the Sandusky Dayton and Cincinnati Railroad Company, which was a change of name February 23, 1858, of the Sandusky City and Indiana Railroad Company incorporated February 28, 1851, and the Mad River and Lake Erie Railroad Company, the latter road, chartered under general railroad laws of Ohio, January 5, 1832, being the first line chartered west of the Allegheny Mountains, and the first projected line in the United States to run by steam power. The first sod was cut at Sandusky, Ohio, September 7, 1835, by General William Henry Harrison, afterwards President of the United States. The first train was run in the latter part of 1838, and the entire line from Dayton to Sandusky opened for business May 10, 1848. The "Findlay Branch" Railroad from Carey to Findlay was constructed under authority conferred by the charter of the Mad River and Lake Erie Railroad Company supplemented by special act of February 19, 1845. The Cincinnati Sandusky and Cleveland Railroad Company is controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of capital stock, and is operated as a part of that road. Leased to The Cleveland Cincinnati Chicago and St Louis Railway Company October 30, 1890; lease effective same date, running ninety-nine years.

COLUMBUS SPRINGFIELD AND CINCINNATI RAILROAD COMPANY

This company was incorporated under the general laws of Ohio, May 7, 1869, by the purchasers under date of June 22, 1868, of the Springfield and Columbus Railroad Company which was chartered February 16, 1849, to extend from Springfield to Columbus, Ohio. The Columbus Springfield and Cincinnati Railroad Company is controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of its capital stock and is operated as a part of that road. Leased to The Cleveland Cincinnati Chicago and St Louis Railway Company October 30, 1890; lease effective same date, running ninety-nine years. In January, 1913, this company was merged in and became a part of The Cleveland Cincinnati Chicago and St Louis Railway Company, by conveyances pursuant to the statutes of Ohio. The capital stock of this company as authorized was 20,000 shares of the par value of $1,000,000.00, of which 20,000 shares, par value $1,000,000.00, were issued. The Cleveland Cincinnati Chicago and St Louis Railway Company owns 19,957 shares, par value $997,850.00, of this company's stock.

CINCINNATI WABASH AND MICHIGAN RAILWAY COMPANY

This company was incorporated by the purchasers of the Cincinnati Wabash and Michigan Railroad Company, certificate of incorporation being filed with the Secretary of the State of Indiana under date of April 16, 1880. The original Cincinnati Wabash and Michigan Railroad Company was incorporated June 30, 1871, and the line opened from Goshen, Indiana, to Anderson, Indiana, May 21, 1876. The reorganized Cincinnati Wabash and Michigan Railway Company consolidated August 11, 1882, with the Elkhart Niles and Lake Michigan Railroad Company, chartered as a revival of the Elkhart and Lake Michigan Railroad Company in Michigan June 19, 1880; this latter consolidation making a complete line from Benton Harbor, Michigan, to Anderson, Indiana. The entire stock of the Cincinnati Wabash and Michigan Railway
Company is owned by The Cleveland Cincinnati Chicago and St Louis Railway Company, which has operated the line as a part of its road since November 1, 1890; formal lease to the latter having been executed April 1, 1891, lease effective July 1, 1891, running one hundred years.

THE WHITE WATER RAILROAD COMPANY

This company was incorporated under the general laws of the State of Indiana, May 27, 1878, by the purchasers of the White Water Valley Railroad (original incorporation, June 8, 1865). The Cleveland Cincinnati Chicago and Railway Company owns the entire capital stock of the White Water Railroad Company, and operates it as part of its road. Leased to The Cleveland Cincinnati Chicago and St Louis Railway Company September 11, 1890, lease effective July 1, 1890, running fifty years.

THE CHICAGO INDIANAPOLIS AND ST LOUIS SHORT LINE RAILWAY COMPANY

This company was incorporated January 24, 1903, under general railroad laws of the State of Illinois, for the purpose of constructing a double track railroad from Hillsboro, Illinois, to near Mitchell, Illinois. The Chicago and Eastern Illinois Railroad Company was jointly interested with The Cleveland Cincinnati Chicago and St Louis Railway Company, in the building of this line. The road is controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of the entire capital stock, and is operated as a part of its line. Leased to The Cleveland Cincinnati Chicago and St Louis Railway Company June 24, 1903, lease effective November 1, 1902, running nine hundred and ninety-nine years. In January, 1913, this company was merged, in and became a part of The Cleveland Cincinnati Chicago and St Louis Railway Company, by conveyances pursuant to the statutes of Illinois. The capital stock of this company as authorized was 550 shares of the par value of $55,000.00, all of which were issued and are owned by The Cleveland Cincinnati Chicago and St Louis Railway Company.

THE FINDLAY BELT RAILWAY COMPANY

This company was organized under the laws of the State of Ohio under date of April 1, 1887, to build a belt railway at Findlay, Ohio. The length of road when completed was 4.54 miles. All tracks except about 800 feet now used as sidings have been taken up and abandoned. Capital stock all owned by The Cleveland Cincinnati Chicago and St Louis Railway Company.

MOUNT GILEAD SHORT LINE RAILWAY COMPANY

This company was incorporated under the laws of the State of Ohio and through its Trustees leased its railway, extending from a certain point in the incorporated village of Mt Gilead, in the county of Morrow, to the station of Gilead (now Edison) in the State of Ohio, on the line of the Cleveland Columbus Cincinnati and Indianapolis Railway, a distance of about two miles, to the Cleveland Columbus Cincinnati and Indianapolis Railway Company, April 13th, 1880, for a term of twenty years, renewable for a like period of time at the option of the lessee company, for one, two, three or more terms of twenty years each, not exceeding ninety-nine years in all.

THE CINCINNATI NORTHERN RAILROAD COMPANY

The original Cincinnati Northern Railroad Company was organized in June, 1897, to take over and operate the Ohio Division of the Cincinnati Jackson and Mackinaw Railway Company, from Franklin, Ohio to Addison Junction, Michigan, 187.53 miles, with branches from Lewisburg, Ohio, to Quarries 1.12 miles and Germantown, Ohio, to Distillery, 1.84 miles; total, 190.49 miles. On August 1, 1897, the company took possession of this property, and also acquired the line of the Jackson and Cincinnati Railroad Company, extending from Addison Junction, Michigan, to Jackson, Michigan, 17.65 miles; the, combined mileage of these two properties being 208.14 miles. These properties constitute the present Cincinnati Northern Railroad reorganized as of January 1, 1902. The Cincinnati Northern road enters Cincinnati on the Cleveland Cincinnati Chicago and St Louis Railway over which it has trackage rights from Franklin Junction, Ohio, to...
Cincinnati, 38.40 miles, and at Jackson, Michigan, has trackage rights over the Lake Shore and Michigan Southern Railway 1.22 miles, making total mileage operated 247.76 miles. The Cleveland Cincinnati Chicago and St Louis Railway Company controls this line through ownership of a majority of the capital stock.

THE EVANSVILLE MT CARmel AND NORTHERN RAILWAY COMPANY

This company was incorporated under the laws of the State of Indiana, and articles of association filed August 1, 1906, for the purpose of constructing a railroad from Evansville, Indiana, to the Illinois State Line, near Mt Carmel. November 7, 1906, articles of association were also filed in the State of Illinois, for the incorporation of a railroad company named The Evansville Mt Carmel and Northern Railway Company, for the purpose of constructing a railroad from Mt Carmel to the Illinois State Line, intersecting the railway of the Indiana company. On October 17, 1910, the company so incorporated in Indiana acquired, by purchase, the property rights and franchises of said company of Illinois. On November 1, 1910, the Indiana company entered into an agreement with The Cleveland Cincinnati Chicago and St Louis Railway Company, under which the latter is to operate the line of the former. The line was opened for business July 1, 1911, as the "Evansville branch" of the Cleveland Cincinnati Chicago and St Louis Railway. The Cleveland Cincinnati Chicago and St Louis Railway Company controls this branch through ownership of the entire capital stock.

SALINE VALLEY RAILWAY COMPANY

This company was incorporated under the general laws of the State of Illinois, articles of association being filed April 6, 1907. The proposed railroad will ultimately extend from Harrisburg, Saline County, Illinois, to the coal properties of The Cleveland Cincinnati Chicago and St Louis Railway Company in the eastern part of Williamson County, Illinois. It is controlled by The Cleveland Cincinnati Chicago and St Louis Railway Company through ownership of the entire capital stock.

THE PEORIA AND EASTERN RAILWAY COMPANY

On July 20, 1869, the following companies were consolidated:
The Indianapolis Crawfordsville and Danville Railroad Company incorporated in Indiana on May 15, 1866, to build a road from Indianapolis to Danville, Illinois, and the Danville Urbana Bloomington and Pekin Railroad Company incorporated in Illinois on August 28, 1866, to build a road from Danville Illinois, to Pekin, Illinois, and (as amended February 28, 1867), to the eastern boundary of Illinois, forming the Indianapolis Bloomington and Western Railway Company, a consolidated corporation of the States of Indiana and Illinois.

The said railroad extended from Indianapolis, Indiana, to Pekin, Illinois, and was opened for traffic October 1, 1869. It was sold under foreclosure sale February 6, 1879, and was reorganized August 9, 1879, as the Indiana Bloomington and Western Railway Company.

A mortgage dated April 15, 1879, was executed by the Indiana Bloomington and Western Railway Company to the Central Trust Company of New York to secure the payment of its bonds to the amount of $1,000,000. This mortgage covered the segment of railroad extending from Indianapolis, Indiana, to Pekin, Illinois. It is today an outstanding lien on the property.

On March 23, 1881, the Indiana Bloomington and Western Railway Company was consolidated with the Ohio Indiana and Pacific Railway Company, whose proposed line ran from Indianapolis, Indiana, to Springfield, Ohio (presumably an Ohio corporation) under the name of Indiana Bloomington and Western Railway Company. The extension to Springfield, Ohio, was completed and opened for business in 1883.
On March 28, 1887, the Indiana Bloomington and Western Railway was sold under foreclosure and reorganized as the Ohio Indiana and Western Railway Company.

A mortgage dated April 2, 1888, was executed by the Ohio Indiana and Western Railway Company to the Central Trust Company of New York to secure the payment of its bonds to the amount of $500,000. This mortgage covered the line of railway extending from Springfield, Ohio, through Indianapolis, Indiana, to Pekin, Illinois. It is today an outstanding lien on the property.

In 1889, the Ohio Indiana and Western Railway Company became insolvent and a reorganization committee was created by agreement on October 30, 1889, consisting of: CHARLES H. COSTER, SAMUEL SPENCER, GEORGE T. BLISS, ANTHONY J. THOMAS.

On January 9, 1890, said railroad was foreclosed under a mortgage made subsequent to the $1,000,000 and the $500,000 mortgages above referred to. The railroad was sold subject to said mortgage liens pursuant to certain decrees entered in the circuit courts of the United States for the District of Indiana, for the Southern District of Ohio, Western Division, and for the Southern District of Illinois. The property was sold as an entirety and the purchasers at the foreclosure sale were Charles H. Coster and Samuel Spencer of the City of New York. Title was conveyed to the purchasers by W.P. Fishback and B.R. Cowen, as Special Master Commissioners, pursuant to foreclosure decree.

The purchasers under the foreclosure above referred to disposed of their interest by divers instruaments (hereinafter detailed) dated February 22, 1890, as follows:

1. They conveyed by sale to The Peoria and Eastern Railway Company (an Illinois corporation) the line of railroad extending from Pekin, Illinois, to the Illinois-Indiana State Line.

2. They leased in perpetuity to the same corporation the line of railroad extending from the Illinois-Indiana State line to the tracks of the Indianapolis Union Railway Company in the city of Indianapolis, and subsequently, on March 15th, said purchasers conveyed and quit-claimed their reversionary interest in said leasehold to said Peoria and Eastern Railway Company, but in the instrument recited that the leasehold interest theretofore conveyed by them should not be merged in the sale by reason of the fact that the same had been mortgaged by the railroad company to the Central Trust Company of New York.

3. They sold to The Cleveland Cincinnati Chicago and St Louis Railway Company in consideration of the sum of $5,000,000 the line of railroad extending from the Indianapolis Union Railway in Indianapolis, Indiana, to Springfield, Ohio, on the following terms:

   The purchase money is due fifty years after April 1, 1890. In the meantime, the sellers retain for themselves and assigns a purchase money lien, with the provision that if default be made in the undertakings of the purchaser as to interest, taxes, etc., the sellers shall have the right to proceed at law or in equity to enforce their lien, it being expressly understood, however, that in case of such default there is no obligation on the part of the purchaser to pay the $5,000,000. The purchaser agreed to pay as interest the net income: rising from the use and operation of the premises. Said payment, however, not to exceed $200,000 in any one year. It was further provided that the interest should not be cumulative but that the obligation should be independent as to each year and that the deficiency of one year should not be charged to the next year.

On February 20, 1890, there was filed in the Recorder's office of Vermilion, DeWitt, Piatt and Champaign Counties, and on February 21, 1890, in the Recorder's office of McLean and Tazewell Counties and in the office of the Secretary of State, all of Illinois, articles of incorporation of The Peoria and Eastern Railway Company.

The capital stock was to be $10,000,000.

The company was incorporated,
"for the purpose of constructing and operating the railroad in the State of Illinois hereinafter mentioned, or of purchasing, owning, operating and maintaining a line of railroad already constructed upon the route mentioned in the second subdivision of these articles when it shall have been sold under decrees of foreclosure of mortgage, pursuant to the laws of said State"

"Second.-The places from and to which it is intended to construct the proposed railway are from Pekin, in the County of Tazewell, State of Illinois, in said State, to the boundary line between said State and the State of Indiana, and with an extension through the Counties of Vermilion, Warren, Fountain, Montgomery, Boone, Hendricks and Marion, in the State of Indiana, to Indianapolis, in said last mentioned State."

Principal office: Danville, Illinois.

Thus said railroad was incorporated to acquire by purchase that portion of the railroad of the Ohio Indiana and Western Railway Company extending from Pekin, Illinois, to Indianapolis, Indiana.

On February 22, 1890, Charles H. Coster and Samuel Spencer conveyed to The Cleveland Cincinnati Chicago and St Louis Railway Company that part of the railroad purchased by them extending from Springfield, Ohio, to the tracks of the Indianapolis Union Railway Company at Indianapolis, Indiana, on the following terms:

1. The purchase price was to be $5,000,000 due 50 years after April 1, 1890.
2. The purchaser was to pay annually as interest the net income arising from the use and operations of the premises during the preceding year, provided that such interest should not exceed the sum of $200,000. Said interest charge was not to be cumulative but was payable only from year to year as the net income so made it possible, deficiency in each case ceasing to exist.
3. The vendors retained for themselves and assigns a purchase-money lien with the provision that if default be made either in the payment of the annual interest charge or taxes, etc., or in the event that default be made in the payment of $5,000,000 at the expiration of the 50-year period, proceedings might be taken at law or in equity or otherwise to enforce the lien. It was expressly provided, however, that nothing in the instrument contained should imply any covenant or promise to pay by the purchaser the sum of $5,000,000 nor was any judgment or decree to be entered against the purchaser for said sum. The property alone was to be security for the payment of the $5,000,000.

On February 22, 1890, at a meeting of the Board of Directors of The Peoria and Eastern Railway Company, held at Danville, Illinois, the following transactions took place:

1. The treasurer reported subscriptions to the capital stock as follows:

   J. A. Barnard 1 share
   John A. Glover 1 share
   Edmond L. Stewart 1 share
   C. E. Tracy 1 share
   C. W. Fairbanks 1 share
   Edmond L. Stewart 99,995 shares

2. Said Charles H. Coster and Samuel Spencer had the following transactions with, said railroad company:

   a. They executed an instrument conveying and quit-claiming to The Peoria and Eastern Railway Company that part of the foreclosed property extending from Pekin, Illinois, to the Indiana-Illinois State Line. In the same instrument they leased in perpetuity to The Peoria and Eastern Railway Company that part of the foreclosed railroad extending from the Illinois-Indiana State line to the tracks of the Indianapolis Union Railway at Indianapolis, Indiana. The consideration for the above conveyance and lease was as follows:

   $7,930,000 first consolidated mortgage bonds.
$9,999,500 of the fully paid up capital stock of the company.

They reserved in the leasehold as annual rental the net earnings of the property demised, with the proviso that they shall never be less than such a sum as shall, together with the net earnings of the segment of railroad also sold by the terms of the instrument and the income derived from the purchase-money lien (also assigned by Coster and Spencer to The Peoria and Eastern Railway Company), amount to $412,200 per year from and after the first day of April, 1890, to be increased by the sum of $40 per year for each and every $1,000 of the consolidated mortgage bonds of the railroad company issued in excess of $9,430,000.

It was provided, however, that the actual payment of the interest upon the two series of prior bonds aggregating $1,500,000 being mortgage liens upon the property and upon the two series of new bonds (namely, those of the authorized $10,000,000 consolidated mortgage and the $4,000,000 income bond mortgage) shall be deemed and taken as a satisfaction and discharge of said annual rental for such year to the extent of such payment.

b. Charles H. Coster and Samuel Spencer executed a deed transferring to The Peoria and Eastern Railway Company the purchase-money lien reserved by said Coster and Spencer in respect of the sale to The Cleveland Cincinnati Chicago and St Louis Railway Company of the segment of railroad from Indianapolis, Indiana, to Springfield, Ohio.

3. On February 22, 1890, The Peoria and Eastern Railway Company executed its mortgage to the Central Trust Company of New York and Charles W. Fairbanks to secure an issue of $10,000,000 four per cent bonds entitled "First Consolidated Mortgage"; principal payable April 1, 1940. This mortgage was made subject to the $1,000,000 mortgage of the Indiana Bloomington and Western Railway Company and the $500,000 mortgage of the Ohio Indiana and Western Railway Company. This mortgage was a lien upon the following:

a. The Illinois segment of railroad held in fee.
b. The Indiana segment of railroad extending from the Illinois-Indiana State line to Indianapolis, held by lease in perpetuity.
c. The purchase-money lien 'above described assigned by Coster and Spencer to the Railroad Company. (Simultaneously with the execution of the mortgage Coster and Spencer conveyed to the Trustees of the mortgage the purchase-money lien as part security, not only for the mortgage in this section referred to, but also for the income bond mortgage hereinafter referred to.) Under the above mortgage there were to be issued the following bonds:
   1. At once, bonds to the extent of $7,930,000.
   2. $1,000,000 to be reserved for protecting the bonds issued under the prior mortgage of the Indiana Bloomington and Western Railway Company.
   3. $500,000 bonds to be reserved for the purpose of protecting the bonds issued under the prior mortgage of the Ohio Indiana and Western Railway Company.
   4. $570,000 bonds were to be used in borrowing money for completing, finishing, improving and operating the railroad.

4. On February 22, 1890, The Peoria and Eastern Railway Company executed its mortgage to the Central Trust Company of New York and Charles W. Fairbanks to secure an issue of $4,000,000 of income bonds payable on the first day of January, 1991, with interest at the rate of 4 per cent per annum, such interest being non-cumulative and payable only out of the net earnings of the railway company, as the same shall be ascertained for each particular year. This mortgage conveyed the property of the railway company extending from Pekin, Illinois, to the tracks of the Indianapolis Union Railway Company in Indianapolis; also its right to use the tracks of the Indianapolis Union Railway Company and of the Peoria and Pekin Union Railway Company. It was made subject to:

a. $1,000,000 mortgage of the Indiana Bloomington and Western Railway Company.
b. $500,000 mortgage of the Ohio Indiana and Western Railway Company.
c. Purchase-money lien and charge of $5,000,000 and the income thereof.
d. First consolidated $10,000,000 mortgage.

5. On February 22, 1890, The Cleveland Cincinnati Chicago and St Louis Railway Company entered into a contract with The Peoria and Eastern Railway Company in which The Peoria and Eastern Railway Company surrendered to The Cleveland Cincinnati Chicago and St Louis Railway Company the operation and control of its railroad described in this contract by segments as the "Illinois part" extending from Pekin to the Illinois State line, and as the "Indiana part" extending from the Illinois-Indiana State line to Indianapolis. This contract was made subject to:

a. The $1,000,000 mortgage of the Indiana Bloomington and Western Railway Company.
b. The $500,000 mortgage of the Ohio Indiana and Western Railway Company.
c. The $10,000,000 consolidated mortgage.

It also recites' that the agreement is to be made prior to t mortgage of $4,000,000 which is to be dated February 22, 1890, to secure certain income mortgage bonds to be issued.

This contract granted the use and operation of the Illinois part to The Cleveland Cincinnati Chicago and St Louis Railway Company.

It assigned and transferred during the period of the agreement and subject to the first consolidated mortgage and the prior mortgages, the leasehold in the Indiana part, and also the rolling steel, and equipment of the Peoria Company.

The term extended for a period of 50 years from April 1, 1890, and for such further time thereafter as The Cleveland Cincinnati Chicago and St Louis Railway Company might elect.

The consideration to be paid by The Cleveland Cincinnati Chicago and St Louis Railway Company was as follows:

a. It would make good any deficiency which may it iny time occur in the fund necessary for the payment of interest on the two series of bonds secured by the prior mortgages; also on the first consolidated mortgage; also all taxes, after devoting to such payment of interest the net income derived from the purchase-money lien of $5,000,000 and the net earnings derived from the "Indiana part", and the "Illinois part" of the railroad. It guaranteed that the net earnings and income from the said three sources so actually applied to the payment of said interest would not be less than $412,200 in each year of the 50 years.

b. It further guaranteed an increase in income of $40 for each bond of the consolidated mortgage issued in excess of $9,430,000.
c. It authorized the transfer of its covenant to the trustees of the First Consolidated Mortgage so that its undertaking might be deemed a direct obligation to the trustees as further security under the mortgage.

The Cleveland Cincinnati Chicago and St Louis Railway Company is to receive all earnings and income of the "Indiana part" and the "Illinois part" of the railroad and is to apply the net earnings of each year, together with the net income from the purchase-money lien above referred to, to the payment of interest in the manner above described.

After reimbursing itself out of what shall remain out of the net income not applied for any advances in any previous year with interest at the rate of 6 per cent per annum, is to apply the balance of the net earnings on the income mortgage bonds above referred to; and finally, to pay over any remainder to The Peoria and Eastern Railway Company.

The future net earnings of The Peoria and Eastern Railway Company and the future income of the purchase-money lien are alone to be looked to for reimbursing The Cleveland Cincinnati Chicago and St Louis Railway Company for advances made as above provided,
with interest at the rate of 6 per cent per annum.

6. On March 15, 1890, Charles H. Coster and Samuel Spencer executed their certain quit-claim deed conveying, quit-claiming and transferring to The Peoria and Eastern Railway Company the segment of railroad theretofore leased by them to The Peoria and Eastern Railway Company, extending from the Illinois-Indiana State line to the tracks of the Indianapolis Union Railway Company in the city of Indianapolis. Said deed recites that the grantors had leased the property conveyed, with the rolling stock and equipment, in perpetuity, to The Peoria and Eastern Railway Company, which said leasehold interest was mortgaged to the Central Trust Company to secure bonds; that The Peoria and Eastern Railway Company, an Illinois corporation, desired to purchase the remaining interests of the railroad so leased to it, and that in consideration of one dollar the grantors have conveyed, quit-claimed and transferred the same to The Peoria and Eastern Railway Company, with the proviso, however, that said leasehold interest should not be merged or absorbed in the fee as long as the mortgage of said leasehold interest above recited shall exist.

7. On March 25, 1890, The Peoria and Eastern Railway Company and The Cleveland Cincinnati Chicago and St Louis Railway Company assigned to the trustees under two mortgages above noted, the guarantees and covenants in the agreement between the two railroad companies (set out in 5) relating to interest on bonds, and also the purchase-money lien as further security for the consolidated bonds and the income bonds of The Peoria and Eastern Railway Company.