Note: This document secures future advances up to a maximum principal amount of $685,000,000. Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

This document was prepared
by and after filing should be
returned to:

CRAVATH, SWAINE & MOORE
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Attention: Todd M. Roberts, Esq.

MODIFICATION AGREEMENT dated as of January 18, 1990 (the "Agreement"), to the MORTGAGE, DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of October 27, 1989, (the "Mortgage") made by CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation ("CNTC"), MIDWESTERN RAILROAD PROPERTIES, INCORPORATED, a Delaware corporation ("MRPI"), NORTH WESTERN LEASING COMPANY, a Delaware corporation ("NWL") and WISCONSIN TOWN LOT COMPANY, a Wisconsin corporation ("WTL") (CNTC, MRPI, NWL and WTL together with their successors and assigns, collectively, the "Mortgagors"), each having a principal office at One North Western Center Chicago, Illinois 60606, to CHEMICAL BANK, a New York banking Corporation, as collateral agent (together with any successor or successors as collateral agent and any additional mortgagees or trustees appointed and acting as mortgagees or trustees from time to time hereunder, collectively or as the context suggests, the "Mortgagee") for the lenders (the "Lenders") and the issuing bank (the "Issuing Bank") each from time to time party to the Credit Agreement dated as of August 14, 1989 (as the same may be amended, supplemented and restated from time to time, the "Credit Agreement") among Chicago and North Western Acquisition Corp., CNTC, Chicago and North Western Holdings Corp., CNW Corporation, the Issuing Bank, the Lenders and Chemical Bank, as Agent. The address of Chemical Bank is 277 Park Avenue, New York, New York 10172.

[2303-968(1)/MSWWI/60A]

FILE No. 306-1716
RECORDING FEE $ 60.00
TRANSFER FEE $
FILED FOR RECORD THE 29 DAY OF January, 19 90 AT 11:01 O'CLOCK A. M. BOOK 109 PAGE 322
STATE OF IOWA, DELAWARE COUNTY
Joan Sheppard, Recorder
LM

W I T N E S S E T H

WHEREAS the Mortgage was recorded in the appropriate real property recording office for the counties, and with the recording information, indicated on Schedule A hereto.

WHEREAS the Term Loans (capitalized terms used and not defined herein shall have those meanings ascribed to them in the Credit Agreement or the Mortgage) of $480,000,000 evidenced by the Term Notes secured by the Mortgage have been reduced by $3,000,000 to $477,000,000;

WHEREAS, pursuant to an amendment to the Credit Agreement which will become effective as of the date hereof, the maturity date of certain of the notes secured by the Mortgage is extended as follows: the $477,000,000 of Term Loans evidenced by Term Notes maturing no later than August 14, 1997 referred to in the Mortgage as in effect prior to this modification have been converted into (i) $277,000,000 of Merger Facility Term Loans evidenced by Merger Facility Term Notes maturing not later than August 14, 1997, and (ii) $200,000,000 of Term Facility Loans evidenced by Term Facility Loan Notes maturing not later than January 18, 2000 (all such Merger Facility Term Notes and Term Facility Notes having been executed by the same makers and made payable to the same Lenders as the above-described Term Notes); and

WHEREAS as a condition to the effectiveness of the amendment to the Credit Agreement referred to above, the Mortgagors have agreed to execute and deliver for recordation this Agreement;

NOW THEREFORE in consideration of the above premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Mortgagor hereby agrees as follows:

SECTION 1. Liens and Security Interests. Each Mortgagor hereby confirms to the Mortgagee the liens and security interests granted pursuant to the Mortgage securing the due and punctual payment and performance of the Obligations (as defined in the Mortgage), including without limitation, the due and punctual payment of all principal and interest on all Revolving Loans, Standby Loans, Merger Facility Term Loans and Term Facility Loans from time to time outstanding (as the same may be modified, renewed, extended or replaced from time to time).

SECTION 2. Continuing Effect. Except as hereby modified, the Mortgage shall continue in full force and effect. References to the Mortgage in the Loan Documents shall, unless the context otherwise suggests, be deemed references to the Mortgage as modified hereby.

SECTION 3. Expenses. Each Mortgagor agrees, jointly and severally, to pay all reasonable out-of-pocket expenses incurred by the Mortgagee in connection with the preparation of this modification, including the reasonable fees and disbursements of counsel for the Mortgagee.

IN WITNESS WHEREOF, each of the Mortgagors has caused this Agreement to be signed in its corporate name by its President or Vice President, and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary, all as of the date herein set forth.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY,

by _____

Name: J. E. Voldseth
Title: Vice President-Finance

[Corporate Seal]

ATTEST:

_____

Name: L. M. Fanelli
Title: Assistant Secretary

In the ~~presence~~ presence of:

_____

Name: R. Bourne-Caris

_____

Name: A. E. Keating

MIDWESTERN RAILROAD PROPERTIES INCORPORATED,

by _____

Name: J. E. Voldseth
Title: Vice President-Finance

[Corporate Seal]

ATTEST:

_____

Name: L. M. Fanelli
Title: Assistant Secretary

In the presence of:

_____

Name: P. L. Menchey

_____

Name: K. A. Dombrowski

NORTH WESTERN LEASING COMPANY,

by _____

Name: J. E. Voldseth
Title: Vice President-Finance

[Corporate Seal]

ATTEST:

_____

Name: L. M. Fanelli
Title: Assistant Secretary

In the presence of:

_____

Name: P. L. Menchey

_____

Name: K. A. Dombrowski

WISCONSIN TOWN LOT COMPANY,

by _____

Name: J. E. Voldseth
Title: Vice President-Finance

[Corporate Seal]

ATTEST:

_____

Name: L. M. Fanelli
Title: Assistant Secretary

In the presence of:

_____

Name: R. Bourne-Caris

_____

Title: A. E. Keating

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Jacquelyn F. Burns, a notary public in and for said county and state, hereby certify that J. E. Voldseth, who resides at 426 North Prospect, Park Ridge, Illinois 60068, and L. M. Fanelli, who resides at 1909 Clydesdale, Wheaton, Illinois 60187, whose names as Vice President-Finance and Assistant Secretary, respectively, of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the 12th day of January, 1990, to be effective as of January 18, 1990.

Given under my hand and seal on this the 12th day of January, 1990.

[Notarial Seal]

" OFFICIAL SEAL "
JACQUELYN F. BURNS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/26/90

Jacquelyn F. Burns

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Faith P. Delgado, a notary public in and for said county and state, hereby certify that J. E. Voldseth, who resides at 426 North Prospect, Park Ridge, Illinois 60068, and L. M. Fanelli, who resides at 1909 Clydesdale, Wheaton, Illinois 60187, whose names as Vice President-Finance and Assistant Secretary, respectively, of MIDWESTERN RAILROAD PROPERTIES, INCORPORATED, a Delaware corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the 12th day of January, 1990, to be effective as of January 18, 1990.

Given under my hand and seal on this the 12th day of January, 1990.

[Notarial Seal]

Faith P. Delgado

My Commission Expires: March 3, 1990

L227-9 (1)

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, A. Ann Nazimek, a notary public in and for said county and state, hereby certify that J. E. Voldseth, who resides at 426 North Prospect, Park Ridge, Illinois 60068, and L. M. Fanelli, who resides at 1909 Clydesdale, Wheaton, Illinois 60187, whose names as Vice President-Finance and Assistant Secretary, respectively, of NORTH WESTERN LEASING COMPANY, a Delaware corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the 12th day of January, 1990, to be effective as of January 18, 1990.

Given under my hand and seal on this the 12th day of January, 1990.

[Notarial Seal] "OFFICIAL SEAL"
A. ANN NAZIMEK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/14/90

A. Ann Nazimek

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Judith A. Simon, a notary public in and for said county and state, hereby certify that J. E. Voldseth, who resides at 426 North Prospect, Park Ridge, Illinois 60068, and L. M. Fanelli, who resides at 1909 Clydesdale, Wheaton, Illinois 60187, whose names as Vice President-Finance and Assistant Secretary, respectively, of WISCONSIN TOWN LOT COMPANY, a Wisconsin corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the 12th day of January, 1990, to be effective as of January 18, 1990.

Given under my hand and seal on this the 12th day of January, 1990.

[Notarial Seal]
"OFFICIAL SEAL"
Judith A. Simon
Notary Public, State of Illinois
My Commission Expires 6/7/93

Judith A. Simon

L227-9 (2)

State of Iowa

Schedule A

County	Recording Information
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Buchanan	919 Book 512; p.491
Buena Vista	1060 Book 141; pp.719-768
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Carroll	1103 Book 92; p.85
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Emmet	000661 Book 130; p.457
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Greene	619 Book 141; p.6
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Humboldt	000725 Book 121; p.239
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Monona	555 Book 110; p.73
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O'Brien	0824 Book 123; p.816
Osceola	376 Book 41; pp.231-281
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