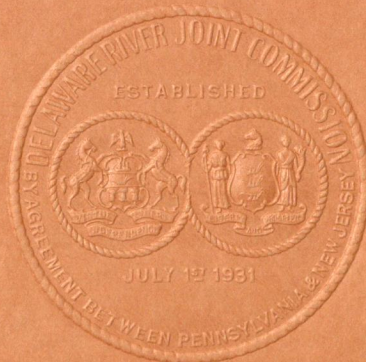


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REPORT
OF THE
DELAWARE RIVER JOINT
COMMISSION
OF
PENNSYLVANIA AND NEW JERSEY



1934

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FRANKLIN SQUARE STATION, PHILADELPHIA
HIGH-SPEED LINE

REPORT
OF THE
Delaware River Joint Commission
of Pennsylvania and New Jersey
TO THE
Legislatures of the
Commonwealth of Pennsylvania
and the
State of New Jersey
and the
Council of the City of Philadelphia
1934

GIFFORD PINCHOT, *Chairman*
J. HAMPTON MOORE
FRANK E. BALDWIN
CHARLES A. WATERS
THOMAS B. SMITH
RICHARD WEGLEIN
WILLIAM H. FOLWELL
J. WILLISON SMITH

JOHN B. KATES, *Vice Chairman*
FRANK L. SUPLEE
I. NORWOOD GRISCOM
LUCIUS E. HIRES
ARTHUR C. KING
BARTON F. SHARP
ALFRED COOPER
A. MATLACK STACKHOUSE

JOSEPH K. COSTELLO, *General Manager*

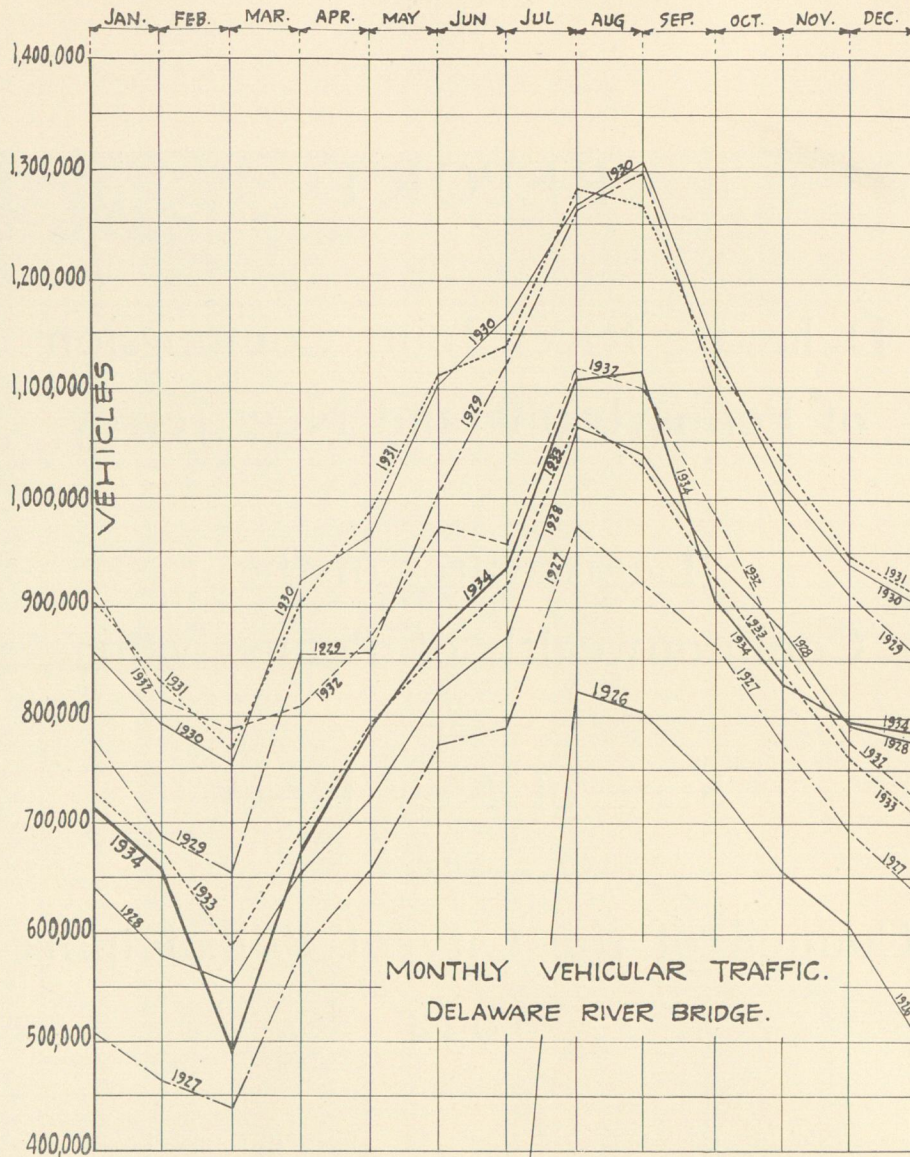
WALTER S. ANDERSON, *Treasurer*

COUNSEL

HAROLD D. SAYLOR

T. HARRY ROWLAND

RALPH MODJESKI, *Chief Engineer*



PERIOD	TOTAL VEHICLES	TOTAL RECEIPTS	PLEASURE CARS & LIGHT TRUCKS.	BUSES	TRUCKS (HEAVY)	HORSE DRAWN VEHICLES	HORSE & RIDER	LED ANIMALS	SPECIAL PERMITS	MOTOR CYCLES	AVERAGE VEHICLES		AVERAGE RECEIPTS		AVERAGE SUNDAY & HOLIDAY TRAFFIC	DISTRIBUTED FUNDS.			
											MONTHLY	DAILY	MONTHLY	DAILY		NEW JERSEY	PENNA.	PHILA.	TOTAL.
1927	8,593,201	2,435,784. ^{.46}	7,270,703	1,181,183	111,460	1369	102	79	3722	24,583	716,100	23,543	202,982. ^{.03}	6,673. ^{.38}	33,981	1,046,960. ^{.95}	523,480. ^{.47}	523,480. ^{.47}	2,093,921. ^{.89}
1928	9,725,470	2,827,786. ^{.83}	8,246,002	1,297,533	151,583	454	96	30	565	29,207	810,456	26,572	235,648. ^{.50}	7,726. ^{.19}	38,096	1,224,538. ^{.40}	612,299. ^{.21}	612,299. ^{.21}	2,449,196. ^{.82}
1929	11,615,609	3,331,754. ^{.46}	10,096,414	1,313,737	170,126	391	69	8	1611	33,253	967,967	31,824	277,648. ^{.43}	9,128. ^{.16}	45,194	1,466,629. ^{.14}	733,314. ^{.56}	733,314. ^{.56}	2,933,258. ^{.26}
1930	12,285,359	3,517,730. ^{.64}	10,578,206	1,484,443	189,704	115	59	5	4414	28,413	1,023,780	33,658	297,144. ^{.22}	9,637. ^{.62}	44,768	1,508,566. ^{.87}	754,283. ^{.27}	754,283. ^{.27}	3,017,133. ^{.11}
1931	12,308,225	3,479,337. ^{.93}	10,770,393	1,278,379	225,977	31	22	1	5006	27,916	1,025,685	33,721	289,986. ^{.48}	9,533. ^{.80}	44,226	1,524,490. ^{.61}	762,745. ^{.30}	762,745. ^{.30}	3,048,981. ^{.21}
1932	10,804,557	3,091,576. ^{.91}	9,355,885	1,179,259	235,057	13	8	0	6561	27,774	900,379	29,520	257,631. ^{.40}	8,446. ^{.93}	38,011	1,310,112. ^{.54}	655,056. ^{.27}	655,056. ^{.27}	2,620,225. ^{.08}
1933	9,886,705	2,820,018. ^{.71}	8,569,299	1,032,068	250,455	22	2	2	8909	25,448	823,892	27,087	235,001. ^{.56}	7,726. ^{.08}	35,598	1,346,968. ^{.46}	266,971. ^{.23}	271,236. ^{.57}	885,176. ^{.26}
1934	9,981,615	2,846,116. ^{.26}	8,613,090	1,035,955	284,143	16	0	0	17164	31,249	831,801	27,347	237,176. ^{.56}	7797. ^{.58}	35,604				

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TRAFFIC, RECEIPTS, AND EXPENSES

MONTH	1926			1927			1928			1929			1930		
	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES
JAN.				466,918	148,165. ^{.38}	27,223. ^{.07}	581,945	178,184. ^{.17}	31,076. ^{.14}	691,827	207,812. ^{.83}	31,538. ^{.35}	792,291	229,672. ^{.30}	32,272. ^{.39}
FEB.				447,374	109,100. ^{.34}	30,238. ^{.57}	555,696	170,286. ^{.61}	34,370. ^{.68}	657,126	191,785. ^{.23}	29,057. ^{.90}	757,647	221,585. ^{.92}	33,531. ^{.88}
MAR.				586,441	155,743. ^{.32}	28,929. ^{.78}	657,294	195,838. ^{.42}	31,428. ^{.52}	850,894	237,825. ^{.60}	37,629. ^{.98}	921,732	282,816. ^{.79}	40,255. ^{.69}
APR.				654,243	173,375. ^{.38}	27,149. ^{.44}	728,163	215,041. ^{.37}	29,751. ^{.49}	858,784	247,119. ^{.89}	33,308. ^{.07}	970,596	283,134. ^{.72}	40,117. ^{.85}
MAY				771,344	210,816. ^{.96}	25,818. ^{.29}	829,841	235,846. ^{.43}	32,406. ^{.28}	1,002,573	281,480. ^{.01}	33,979. ^{.39}	1,105,698	319,006. ^{.55}	41,563. ^{.36}
JUN				783,223	222,513. ^{.82}	14,849. ^{.19}	871,082	257,264. ^{.55}	28,623. ^{.81}	1,126,167	328,222. ^{.53}	31,052. ^{.08}	1,163,455	320,237. ^{.06}	36,309. ^{.72}
JUL	828,647	226,532. ^{.97}	18,988. ^{.70}	975,551	264,948. ^{.49}	26,878. ^{.44}	1,063,159	294,327. ^{.21}	33,633. ^{.08}	1,268,929	353,982. ^{.78}	37,290. ^{.47}	1,272,827	370,521. ^{.67}	48,450. ^{.44}
AUG.	804,165	219,729. ^{.09}	28,967. ^{.85}	924,886	265,357. ^{.32}	28,637. ^{.61}	1,044,579	299,711. ^{.61}	32,947. ^{.86}	1,299,433	355,751. ^{.66}	38,795. ^{.01}	1,308,101	358,519. ^{.43}	44,659. ^{.67}
SEPT.	730,711	178,512. ^{.94}	21,689. ^{.89}	865,760	248,796. ^{.87}	39,549. ^{.02}	942,270	260,823. ^{.69}	29,568. ^{.11}	1,104,067	306,127. ^{.55}	30,292. ^{.52}	1,129,713	310,755. ^{.63}	39,941. ^{.53}
OCT.	655,078	184,233. ^{.31}	30,524. ^{.96}	776,505	227,107. ^{.03}	25,987. ^{.63}	881,472	257,370. ^{.39}	29,079. ^{.68}	985,086	280,407. ^{.38}	30,762. ^{.16}	1,020,625	287,963. ^{.13}	42,919. ^{.13}
NOV.	610,291	172,266. ^{.75}	27,092. ^{.46}	693,836	210,995. ^{.04}	29,566. ^{.76}	790,455	228,438. ^{.98}	30,247. ^{.69}	911,888	262,221. ^{.55}	32,445. ^{.28}	940,368	266,670. ^{.84}	49,818. ^{.23}
DEC.	508,782	128,833. ^{.32}	31,245. ^{.61}	647,120	198,864. ^{.45}	41,854. ^{.79}	779,514	234,653. ^{.40}	35,456. ^{.67}	858,835	279,017. ^{.45}	32,354. ^{.99}	902,306	266,846. ^{.60}	50,757. ^{.64}
TOTALS	4,137,674	1,110,108. ^{.38}	158,109. ^{.47}	8,593,201	2,435,784. ^{.40}	346,678. ^{.59}	9,725,470	2,827,786. ^{.83}	378,590. ^{.01}	11,615,609	3,331,754. ^{.46}	398,496. ^{.20}	12,285,359	3,517,730. ^{.64}	500,597. ^{.83}
NET RECEIPTS		946,682. ^{.83}			2,093,921. ^{.89}			2,449,196. ^{.82}			2,933,258. ^{.26}			3,017,133. ^{.11}	

MONTH	1931			1932			1933			1934					
	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES	VEHICLES	RECEIPTS	EXPENSES			
JAN	829,442	237,708. ^{.20}	42,951. ^{.90}	820,468	250,486. ^{.00}	34,244. ^{.08}	685,372	188,938. ^{.59}	34,950. ^{.88}	662,380	186,220. ^{.00}	33,508. ^{.17}			
FEB	776,165	226,331. ^{.88}	33,936. ^{.75}	779,370	214,084. ^{.61}	31,123. ^{.64}	589,811	164,238. ^{.98}	32,386. ^{.53}	487,606	142,425. ^{.85}	31,940. ^{.77}			
MAR	901,208	265,696. ^{.60}	40,195. ^{.00}	814,395	249,608. ^{.94}	34,287. ^{.21}	690,043	215,762. ^{.65}	34,754. ^{.00}	669,341	185,054. ^{.10}	33,639. ^{.48}			
APR	990,065	262,422. ^{.18}	33,728. ^{.00}	866,749	234,520. ^{.85}	33,583. ^{.10}	798,465	215,625. ^{.00}	34,704. ^{.98}	790,844	241,834. ^{.09}	40,767. ^{.05}			
MAY	1,112,646	321,942. ^{.37}	33,911. ^{.98}	978,457	268,284. ^{.28}	36,473. ^{.22}	855,472	258,649. ^{.75}	32,740. ^{.80}	869,626	276,545. ^{.80}	38,020. ^{.74}			
JUN	1,136,598	339,727. ^{.46}	33,170. ^{.30}	967,446	294,010. ^{.81}	39,386. ^{.08}	924,690	260,706. ^{.74}	31,867. ^{.37}	932,743	284,546. ^{.37}	36,250. ^{.60}			
JUL	1,275,304	335,980. ^{.72}	35,864. ^{.41}	1,124,653	297,976. ^{.45}	48,622. ^{.12}	1,066,431	288,077. ^{.01}	35,346. ^{.06}	1,116,016	299,246. ^{.68}	33,539. ^{.93}			
AUG	1,270,808	364,670. ^{.00}	40,802. ^{.97}	1,101,001	301,033. ^{.15}	48,119. ^{.61}	1,042,936	280,430. ^{.75}	37,691. ^{.60}	1,116,991	300,955. ^{.12}	42,019. ^{.39}			
SEPT	1,128,313	301,962. ^{.45}	31,795. ^{.34}	987,062	296,377. ^{.72}	54,119. ^{.22}	928,938	278,563. ^{.75}	29,723. ^{.43}	913,476	248,340. ^{.10}	32,723. ^{.08}			
OCT	1,035,496	305,104. ^{.54}	33,053. ^{.03}	867,986	238,797. ^{.05}	34,882. ^{.40}	841,983	232,151. ^{.46}	40,525. ^{.60}	839,029	258,335. ^{.70}	33,573. ^{.13}			
NOV.	940,634	259,053. ^{.40}	37,224. ^{.76}	767,317	239,476. ^{.64}	42,990. ^{.19}	758,983	207,839. ^{.30}	40,518. ^{.66}	797,395	220,515. ^{.65}	33,432. ^{.58}			
DEC.	911,606	258,738. ^{.13}	34,222. ^{.28}	729,653	206,920. ^{.41}	33,520. ^{.96}	703,581	229,034. ^{.73}	33,306. ^{.55}	786,168	242,096. ^{.80}	39,997. ^{.71}			
TOTALS	12,308,225	3,479,337. ^{.93}	430,856. ^{.72}	10,804,557	3,091,576. ^{.91}	471,351. ^{.83}	9,886,705	2,820,018. ^{.71}	418,516. ^{.46}	9,981,615	2,846,116. ^{.26}	429,412. ^{.63}			
NET RECEIPTS		\$ 3,048,981. ^{.21}			\$ 2,620,225. ^{.08}			\$ 2,401,502. ^{.25}			\$ 2,416,703. ^{.63}				

ANNUAL REPORT
OF THE
DELAWARE RIVER JOINT COMMISSION
OF
PENNSYLVANIA AND NEW JERSEY

TO THE HONORABLE: THE LEGISLATURES OF THE COMMONWEALTH OF PENNSYLVANIA AND THE STATE OF NEW JERSEY AND THE COUNCIL OF THE CITY OF PHILADELPHIA.

Despite a loss in the first quarter due to abnormally cold weather, traffic and receipts of the Delaware River Bridge showed an increase in 1934 as compared with those of the preceding year.

Following is a summary of Delaware River Bridge business since the opening on July 1, 1926:

<i>Year</i>	<i>Traffic</i>	<i>Gross Receipts</i>	<i>Expenses</i>	<i>Net Receipts</i>
1934	9,981,615	\$2,846,116.26	\$429,412.63	\$2,416,703.63
1933	9,886,705	2,820,018.71	418,516.46	2,401,502.25
1932	10,804,557	3,091,576.91	471,351.83	2,620,225.08
1931	12,308,225	3,479,337.93	430,856.72	3,048,981.21
1930	12,285,359	3,517,730.64	500,597.53	3,017,133.11
1929	11,615,609	3,331,754.46	398,496.20	2,933,258.26
1928	9,725,470	2,827,786.83	378,590.01	2,449,196.82
1927	8,593,201	2,435,784.40	346,678.59	2,093,921.89
1926 (½ year)	4,137,674	1,110,108.38	158,109.47	946,682.83

Much of the attention of the Commission and its officers was devoted, in 1934, to the High-Speed Transit Project upon which construction was actually begun early in the year and which has proceeded with gratifying progress. Contracts aggregating \$4,610,995.30 were awarded to cover construction of the line which connects with the Philadelphia subway system at Eighth and Race Streets and, by means of subways in Philadelphia and Camden and rails upon the bridge, proceeds to a present termination at a point near Haddon Avenue and Carman Street, Camden.

Authority for the building of this line by the Commission was given by the Legislatures of Pennsylvania and New Jersey in 1931. In accordance with that legislation, the Commission, in 1933, authorized a \$41,000,000 bond issue behind which were pledged all revenues of the bridge including those of the high-speed project. The bridge itself was not mortgaged and ownership remains with the Commonwealth of Pennsylvania and the State of New Jersey. Pennsylvania accepted Commission bonds in the amount of \$9,208,000 and New Jersey, \$12,199,000 as reimbursement for their

investments in the building of the bridge. The City of Philadelphia, the third partner of the enterprise, declined to accept bonds and asked for reimbursement in cash. The Commission sold all bonds allocated to the City of Philadelphia in the amount of \$9,555,000 at par and accrued interest and turned over the proceeds, as rapidly as received, to Philadelphia. The balance of \$10,038,000 bonds was reserved by the Commission to meet the expenses of building the high-speed line.

COMMISSION OBTAINS THIRTY PER CENT GRANT

The Federal Emergency Administration of Public Works, by an agreement with the Commission dated May 4, 1934, agreed to purchase \$10,000,000 bonds on a 4% basis. The coupon rate for the entire issue was 4¼%, so the United States Government, in effect, agreed to purchase the bonds at a premium. In addition thereto, the agreement specified that the Government would make a free grant of thirty per cent of the cost of labor and materials employed upon the project. The \$10,000,000 block is made up of bonds numbered and maturing on September first of each year as follows:

<i>Year</i>	<i>Numbers</i>	<i>Amounts</i>	<i>Year</i>	<i>Numbers</i>	<i>Amounts</i>
1935	152 - 200	\$ 49,000	1955	12,756 - 13,000	\$245,000
1936	352 - 400	49,000	1956	13,757 - 14,000	244,000
1937	552 - 600	49,000	1957	14,757 - 15,000	244,000
1938	790 - 850	61,000	1958	15,757 - 16,000	244,000
1939	1,040 - 1,100	61,000	1959	17,135 - 17,500	366,000
1940	1,290 - 1,350	61,000	1960	18,635 - 19,000	366,000
1941	1,578 - 1,650	73,000	1961	20,135 - 20,500	366,000
1942	1,916 - 2,000	85,000	1962	21,635 - 22,000	366,000
1943	2,379 - 2,500	122,000	1963	23,134 - 23,500	367,000
1944	2,879 - 3,000	122,000	1964	24,635 - 25,000	366,000
1945	3,454 - 3,600	147,000	1965	26,135 - 26,500	366,000
1946	4,130 - 4,300	171,000	1966	27,635 - 28,000	366,000
1947	4,906 - 5,100	195,000	1967	29,134 - 29,500	367,000
1948	5,781 - 6,000	220,000	1968	30,635 - 31,000	366,000
1949	6,757 - 7,000	244,000	1969	32,513 - 33,000	488,000
1950	7,757 - 8,000	244,000	1970	34,513 - 35,000	488,000
1951	8,757 - 9,000	244,000	1971	36,513 - 37,000	488,000
1952	9,757 - 10,000	244,000	1972	38,512 - 39,000	489,000
1953	10,757 - 11,000	244,000	1973	40,484 - 40,962	479,000
1954	11,757 - 12,000	244,000			
TOTAL.....					\$10,000,000

The Commission sold to the Government, on May 18, 1934, a block of \$400,000 bonds which the Government later re-sold through the Reconstruction Finance Corporation at a profit of approximately \$5,000.

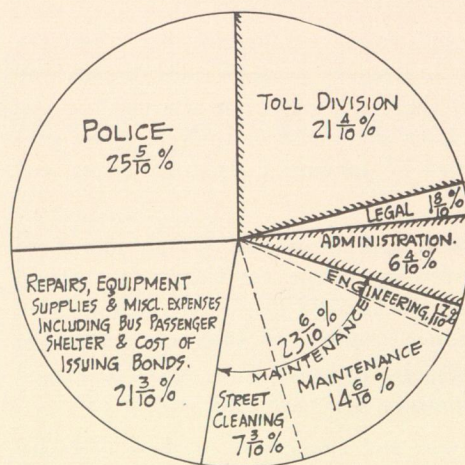
The Commission obtained from the Government consent to sell its bonds to the public inasmuch as the market price was in excess of that which the Government had agreed to pay. Accordingly, the Commission, on July 2, 1934, sold \$1,150,000 bonds at 105.27 and, on October 26, 1934, \$1,000,000 at 105.326. These sales in no way invalidated the Government's agreement to pay thirty per cent of the cost of labor and materials. The prices obtained were satisfactory to the Commission inasmuch as the entire issue is callable September 1, 1943 at 105 per cent.

By its policy of selling bonds to obtain funds for the high-speed transit project in instalments instead of as a whole, the Commission kept interest charges during con-

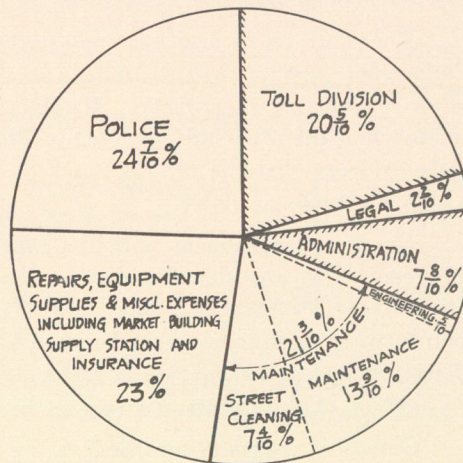
struction down to a minimum through the year. The Commission invested its surplus earnings in \$603,000 Commission bonds of early maturities and in Home Owners' Loan Corporation bonds at a par value of \$609,000. On September 1, 1935, \$200,000 Commission bonds fall due, of which the Commission owns \$145,000; a like amount of \$200,000 becomes due in 1936, of this the Commission owns \$141,000. The complete Balance Sheet of the Commission as of December 31, 1934 appears as Appendix B of this report.

As a consideration for the Government's participation, the Commission agreed that all construction contracts and sub-contracts on the project would be subject to the rules

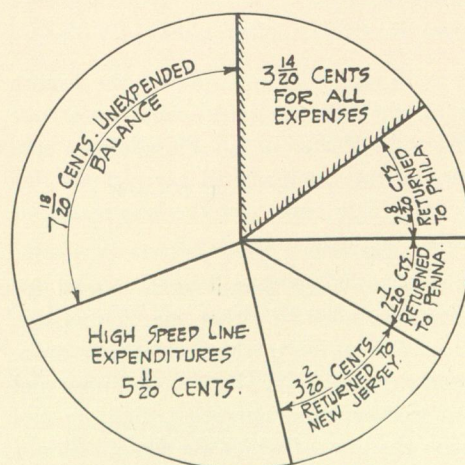
DELAWARE RIVER BRIDGE. DIVISION OF OPERATING COSTS



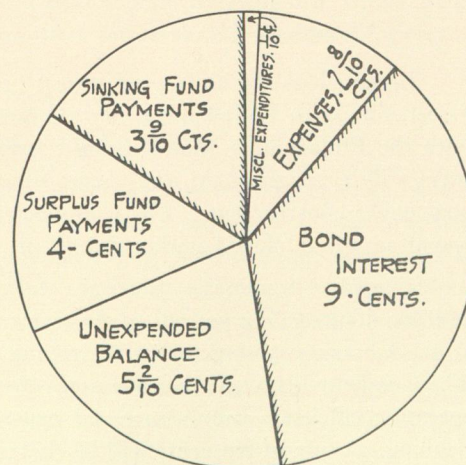
FOR YEAR 1933.



FOR YEAR 1934.



FOR YEAR 1933.



FOR YEAR 1934.

WHERE THE BRIDGE QUARTER GOES.

and regulations of the Government; for example, labor was limited to a thirty-hour week and it was provided that a minimum of 50 cents per hour must be paid to unskilled labor and \$1.20 per hour, to skilled labor. Preference was given to ex-service men with dependents, citizens of the United States and aliens who have declared their intention of becoming citizens and who are *bona fide* residents of the City of Philadelphia and the City and County of Camden.

The Commission engaged a staff of 102 engineering employees to design and supervise construction. The number of men employed by the contractors reached a peak of 1,244 weekly during 1934.

The project was one of the earliest P.W.A. financed enterprises of any magnitude to get actively under way in the country. A certain amount of misunderstanding ensued, particularly in the rates of wages to be paid by contractors to men in the intermediate grades between skilled and unskilled. By the close of the year, however, a better understanding on the part of all parties concerned was reached.

The contracts for construction of subway and necessary underpass in Fifth Street, Philadelphia and for the two sections of subway in Camden were awarded on bids well below our engineers' estimates. By the end of the year, seven contracts had been let and much of the real estate required in Philadelphia and Camden acquired. This gave every evidence that the project can be completed by January 1, 1936 at a cost well within the funds available.

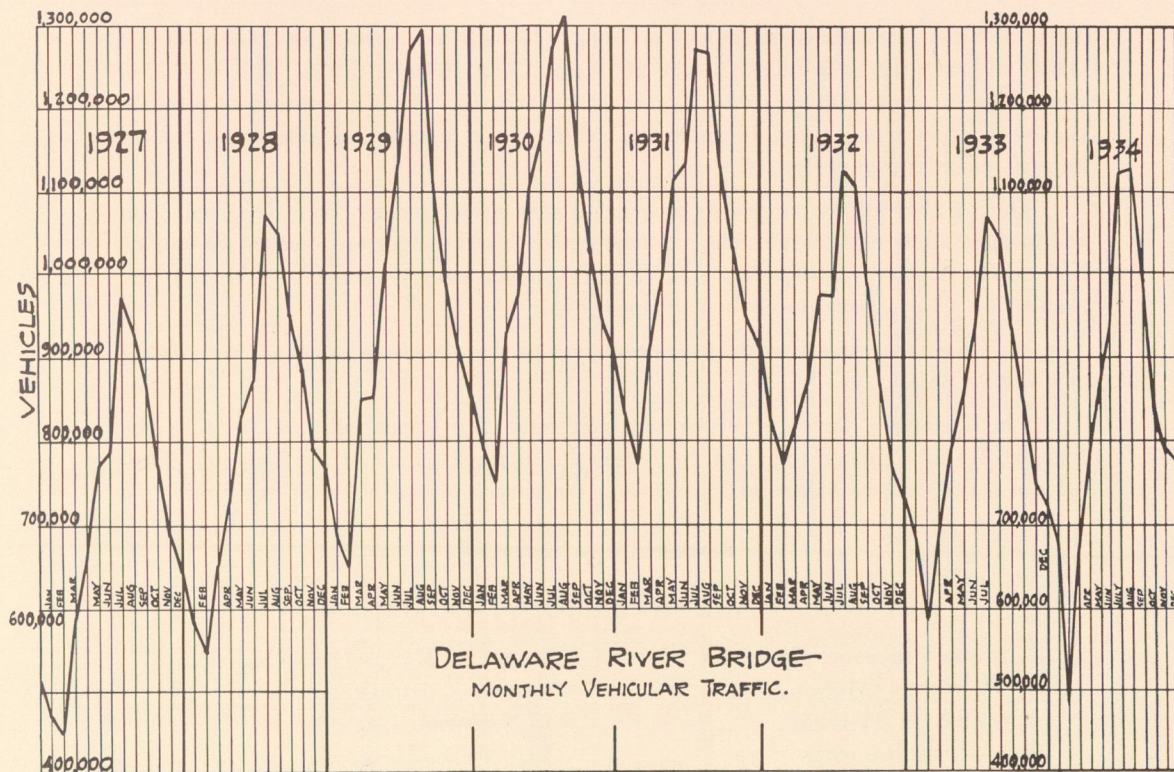
The Loan Agreement with the Government appears in full as Appendix E of this report. In accordance with the terms of this agreement, the Commission placed \$10,000,000 All Risk insurance with a \$100,000 deductible clause on the suspended span between anchorages; also, Use and Occupancy insurance of \$500,000 against loss of receipts due to damage to the bridge. These policies, dated April 15, 1934, extend for a period of three years at a cost to the Commission of \$51,875.00.

Details of contracts awarded during the year and a summary of those necessary to complete the project appear in the report of the Commission's engineers as Appendix A.

NEGOTIATE LEASE WITH PHILADELPHIA RAPID TRANSIT COMPANY

Inasmuch as the high-speed transit project is, in effect, an extension of the Eighth Street subway in Philadelphia, it was necessary for the Commission to negotiate a lease with the Philadelphia Rapid Transit Company, the operator of all Philadelphia subways. By this agreement, the Commission leased to the Company all parts of the line now under construction. The Commission is required to turn over the line ready for operation and equipped with cars and all necessary appurtenances.

The lease terminates June 30, 1937 but it is provided that it shall extend for additional succeeding periods of four years unless concluded by either the Commission or the Company giving notice in writing four months prior to the end of any term. The Company is obligated to maintain the property in first-class physical condition and operating efficiency and to meet all expenses of maintenance, operation, lighting and cleaning. A fare of ten cents will be charged upon the line, of which the Commission is to receive two and one-half cents for each passenger. Turnstiles will be installed at the three stations, Franklin Square in Philadelphia, City Hall and Broadway, Cam-



den. Patrons of the bridge line will receive free transfer privileges and exchange privileges now given to passengers on the Broad Street-Eighth Street subway in Philadelphia.

Signing of the agreement on behalf of the Philadelphia Rapid Transit Company was delayed until the Public Service Commission of Pennsylvania could pass upon the lease between the City of Philadelphia and the Company covering the Broad Street-Eighth Street subway. The text of the agreement with the Company appears as Appendix D of this report.

GAIN IN TRAFFIC AND RECEIPTS

While the increase in traffic and receipts, as compared with those of 1933, was not large, the change in the downward tendency evidenced since 1931 was gratifying. January started with a decrease of 22,992 vehicles; in February, an additional loss of 102,205 was recorded; March showed a loss of 20,702. These decreases, undoubtedly were due to the heavy snow falls and zero temperatures which made all travel burdensome. It was not until May that a gain in comparative figures was scored. August was particularly good, but much of the increase must be attributed to the dog racing track established just outside of Camden which attracted many patrons during its short-lived history.

Of the various factors making up the year's business, the number of passenger cars and light trucks rose from 8,569,299 in 1933 to 8,613,090 in 1934. Buses numbered

1,032,068 last year against 1,035,955 in 1934. The greatest proportional increase was shown in heavy trucks from 250,455 to 284,143. Only 16 horse-drawn vehicles crossed the bridge in 1934 with no ridden horses or led animals. It is interesting to compare this with 1927 when 1,369 horse-drawn vehicles, 102 horses and riders and 79 led animals passed through the toll gates.

During the year, 31 accidents, nearly all of a minor nature, were reported upon the bridge; 46 arrests were made; 13 fires extinguished; 3 persons committed suicide by jumping from the bridge and 7 attempted suicides were prevented. Disabled cars numbering 540 were removed by our apparatus.

In November, repairs to the asphalt surface of the suspended structure were made at a cost of \$4,480.00.

The Delaware River Joint Commission takes this opportunity of inviting the Legislatures of Pennsylvania and New Jersey and the Council of the City of Philadelphia to inspect the bridge and to go into the details of operation at any time.

Respectfully submitted,

THE DELAWARE RIVER JOINT COMMISSION

GIFFORD PINCHOT, *Chairman*

J. HAMPTON MOORE

CHARLES A. WATERS

FRANK E. BALDWIN

THOMAS B. SMITH

RICHARD WEGLEIN

WILLIAM H. FOLWELL

J. WILLISON SMITH

JOHN B. KATES, *Vice-Chairman*

FRANK L. SUPLEE

I. NORWOOD GRISCOM

LUCIUS E. HIRES

ARTHUR C. KING

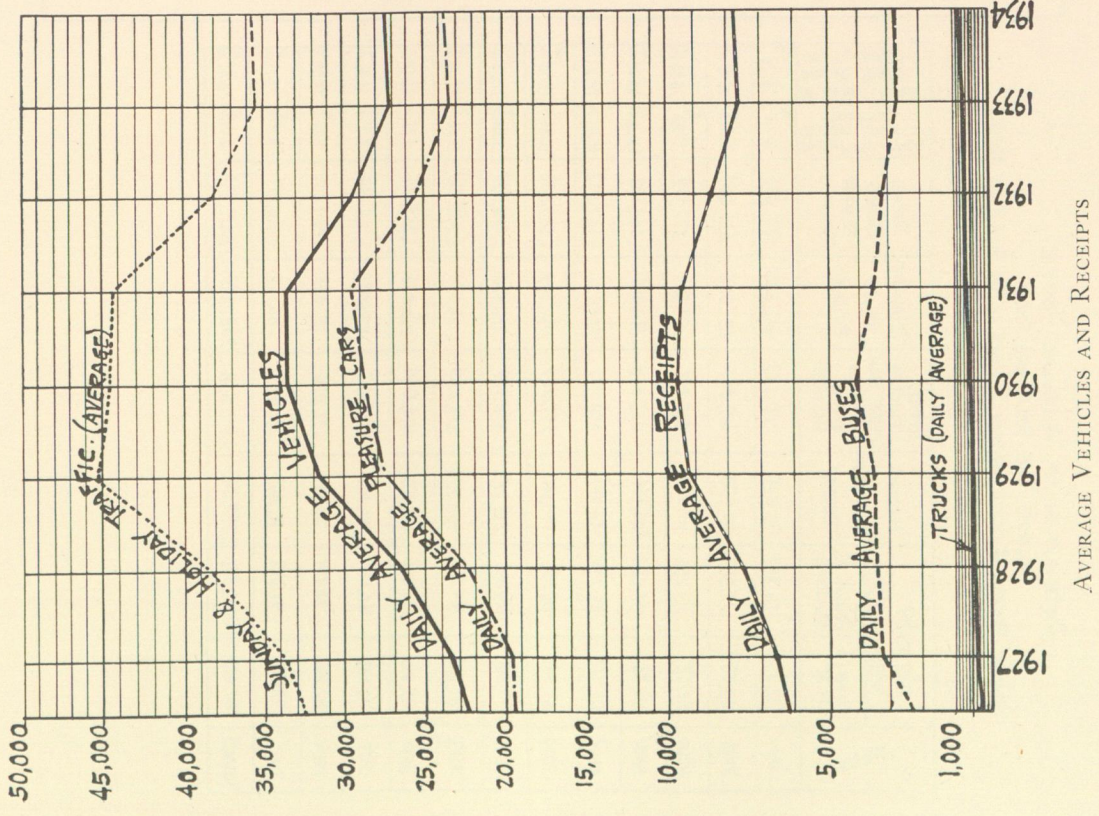
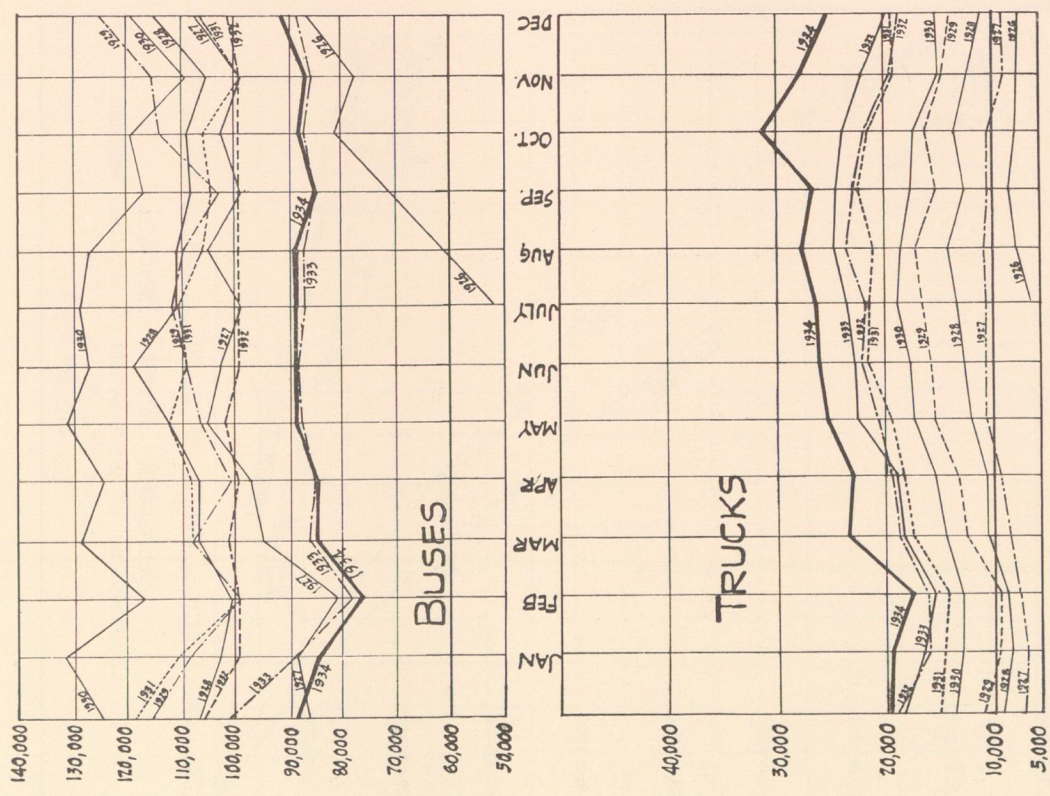
BARTON F. SHARP

ALFRED COOPER

A. MATLACK STACKHOUSE

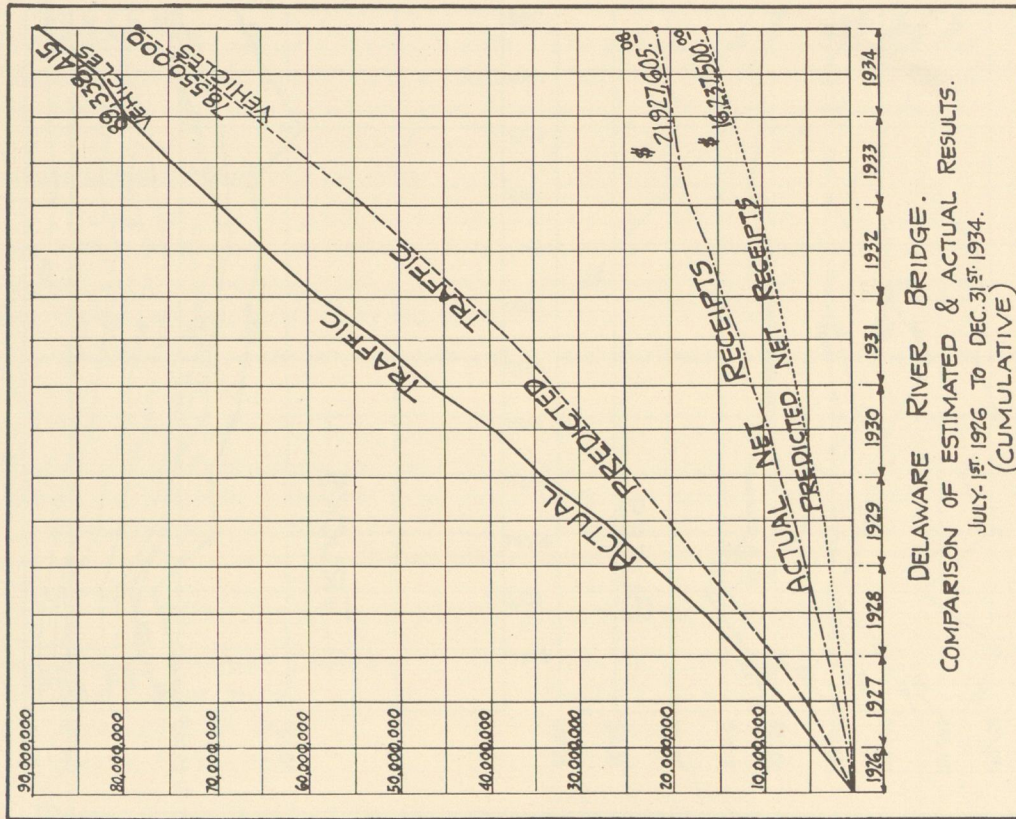
JOSEPH K. COSTELLO, *General Manager*

December 31, 1934.



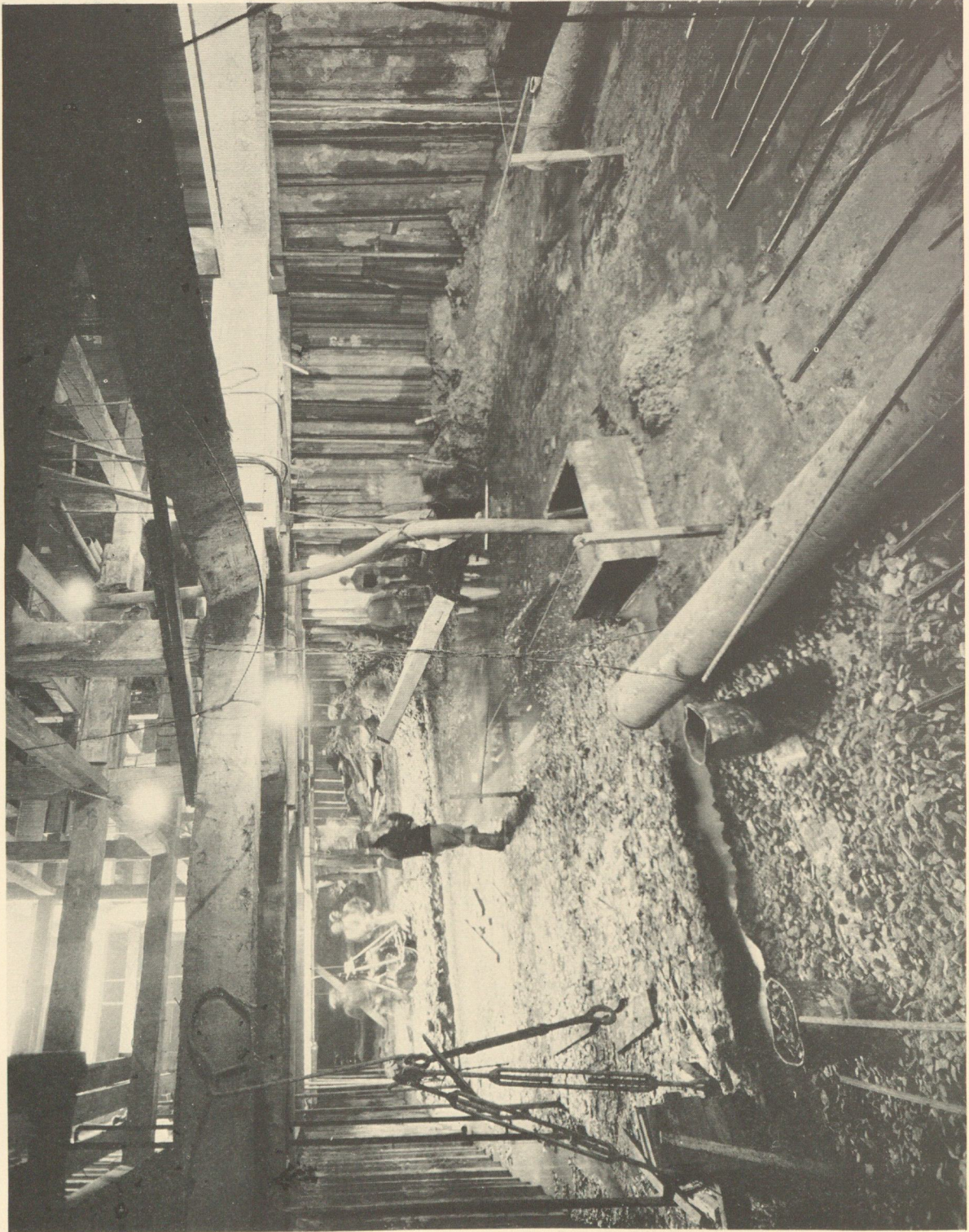
DISTRIBUTION OF VEHICULAR TRAFFIC.
ACROSS THE DELAWARE RIVER.
(AMONG FERRIES & BRIDGES, WITHIN 10-MILES OF THE DELA. RIVER BRIDGE).
(FOR YEAR-1934)

MONTH	FERRY VEHICLES		TACONY-PALMYRA BRIDGE	TOTAL VEHICLES OTHER THAN THE DELA RIVER BRIDGE	DELAWARE RIVER BRIDGE	TOTAL CROSS RIVER TRAFFIC	TACONY-PALMYRA BRIDGE SHARE OF TRAFFIC	DELAWARE RIVER BRIDGE SHARE OF TRAFFIC
	PENNA. R.R.	PHILA. & READING						
JAN	52,470	76,888	70,915	200,273	662,380	862,653	8.22%	76.78%
FEB	47,518	57,865	43,658	147,041	487,606	634,647	6.87%	76.87%
MAR	55,277	83,236	69,705	208,218	669,341	877,599	7.34%	76.44%
APR	55,544	95,260	106,544	257,348	790,844	1,048,192	10.16%	75.44%
MAY	64,725	108,733	124,593	298,051	869,626	1,167,677	10.61%	74.47%
JUN	67,951	118,972	150,140	337,063	932,743	1,269,806	11.81%	73.45%
JUL	77,360	149,090	212,127	438,577	1,116,016	1,554,593	13.64%	71.78%
AUG	82,425	144,892	200,953	428,270	1,116,991	1,545,261	13.00%	72.28%
SEP	75,018	122,046	147,572	344,646	913,476	1,259,122	11.72%	74.60%
OCT	74,085	112,447	100,594	287,126	839,029	1,126,155	8.93%	74.50%
NOV	67,366	98,291	90,379	252,036	797,395	1,049,431	8.61%	75.98%
DEC	57,674	91,652	82,663	231,989	786,168	1,018,157	8.11%	77.21%
TOTALS	769,423	1,261,372	1,399,843	3,430,638	9,981,615	13,412,253	10.43%	74.42%



DELAWARE RIVER BRIDGE.
COMPARISON OF ESTIMATED & ACTUAL RESULTS.
JULY 1ST 1926 TO DEC. 31ST 1934.
(CUMULATIVE)

APPENDICES



SUBWAY CONSTRUCTION IN CAMDEN
HIGH-SPEED LINE

APPENDIX "A"

REPORT OF MODJESKI, MASTERS AND CASE, INC., ENGINEERS

December 31, 1934

DELAWARE RIVER JOINT COMMISSION,
Administration Building,
Bridge Plaza,
Camden, N. J.

GENTLEMEN:—

We submit herewith the following report of the work accomplished on the High-Speed Rail Transit Line during the past year and of the status of the work at the present time.

Construction progress during the past year has been very satisfactory. The progress made in the preparation of contract drawings and specifications after the organization of the Engineering Department in September, 1933, made possible the start of construction work early in the year.

A total of seven contracts have been awarded. These contracts have provided for the major volume of the work and have an aggregate value of \$4,611,000, distributed as follows:

<i>Contract No.</i>	<i>For</i>	<i>Awarded to</i>	<i>Date of Award</i>	<i>Amount of Contract</i>
1	Phila. Subway & Underpass	Builders, Inc.	1-26-34	\$998,394.15
2	Trackways Underpasses & Subway— Camden	Marcus Contg. Co., Inc.	4-13-34	1,373,999.06
3	Subway South of Federal St.— Camden	Triest Contg. Corp.	6-8-34	957,694.00
4	Concrete Decks on Bridge	Turner Constr. Co.	8-17-34	73,941.44
5	Equipment for Substations	Allis-Chalmers Mfg. Co.	8-17-34	393,965.00
6	Trackwork & Contact Rail	E.R. Morehouse Co., Inc.	10-19-34	737,481.45
7-A	Phila. Substation Building	Turner Contr. Co.	11-16-34	75,520.20

Construction began February 23d on the Philadelphia side when ground was broken with appropriate ceremonies, and since that time the physical work has been prosecuted actively.

GENERAL DESCRIPTION

The High-Speed Rail Transit Line is approximately 2½ miles long for two tracks and consists of approximately 1,140 feet of subway in Philadelphia connecting the existing Eighth Street subway at Race Street with the bridge substructure at Sixth Street, 8,120 feet of trackway over the bridge to Fourth Street, Camden, and 3,640 feet of subway in Camden with the eastern terminus as authorized near Haddon Ave. Three passenger stations have been provided: One in Franklin Square, Philadelphia; one in Fifth Street, Camden, at the City Hall; and the third at Broadway. These stations have numerous entrances and exits to the street, the Broadway station being so located as to provide convenient access to the adjacent station of the Pennsylvania Railroad and having a covered passageway at street level extending to Haddon Avenue. The subway is of steel frame and concrete jack arch construction similar to that of the Philadelphia subway with which it connects. Electric power for operating the subway will be provided on the Philadelphia side from the Philadelphia Electric Company through a substation located under the bridge at Front Street, and on the Camden side from the Public Service Company of New Jersey through a substation located at Fourth and Birch Streets. The subway now being constructed is substantially the same as the

design submitted with our preliminary report dated January 20, 1933, except that the Broadway station has been located beneath the bed of Hudson Street in place of the original location beneath the Pennsylvania Railroad. The depth of the subway roof throughout is at the highest elevation consistent with a proper distribution of underground pipes and conduits.

DETAILED REPORT OF CONSTRUCTION

The following is a record of the construction work accomplished during the year:

CONTRACT NO. 1—SUBWAY IN PHILADELPHIA FROM EIGHTH AND RACE STREETS TO SIXTH STREET AND AN UNDERPASS IN FIFTH STREET

Contractor	Builders, Inc.
Date of Contract	February 9, 1934
Bids Opened	January 15, 1934
Aggregate of Bid	\$998,394.15
Notice to Proceed Issued	February 9, 1934

Contract approximately 80 per cent completed at end of year.

Contract No. 1 comprises the construction of a short section of subway in Philadelphia connecting on the west with the existing subway at Eighth and Race Streets, extending through private property to Franklin Square, and thence diagonally across Franklin Square in two single track tubes to Sixth Street, where it connects with the north and south sides of the sub-structure of the bridge as provided for in the original construction. Due to the fact that the high-speed tracks will cross the original vehicular underpass in Fifth Street at grade, the construction of a new underpass 1,450 feet long in Fifth Street is included in this contract. It will extend from Cherry Street to Callowhill Street and pass below the high-speed tracks. A combined pump chamber and electrical distributing room below the bridge structure forms a part of this subpassage. The underpass is now approximately 85 per cent completed.

The construction of the underpass required the demolition of buildings on the east side of Fifth Street from Cherry Street to Race Street and from Vine Street to Callowhill Street. The demolition of buildings has also been required on the north side of Race Street from Eighth to Franklin Street and at the southeast corner of Eighth and Race Streets to provide for the subway construction.

Due to the fact that the Commission had not at that time obtained the necessary authority for the demolition of the buildings required for the construction of the Fifth Street underpass, the contractor's operations were begun on the subway construction in Franklin Square, and have progressed steadily throughout the year. The construction has offered no serious engineering difficulties, although great care has been necessary in removing the easterly wall in the Eighth Street subway for the connection with the eastbound track of the high-speed line without interfering with traffic in the subway. The undercrossing of the westbound track was constructed by the City of Philadelphia as part of the Eighth Street subway.

CONTRACT NO. 2—CONSTRUCTION IN CAMDEN OF TRACKWAYS ALONG THE DELAWARE RIVER BRIDGE APPROACH FROM WEST OF THIRD STREET TO FIFTH STREET AND A SUBWAY IN FIFTH STREET FROM THE BRIDGE APPROACH TO FEDERAL STREET; ALSO A VEHICULAR AND A PEDESTRIAN UNDERPASS IN FOURTH STREET.

Contractor	The Marcus Contracting Co., Inc.
Date of Contract	April 16, 1934
Bids Opened	April 6, 1934
Aggregate of Bid	\$1,373,999.06
Notice to Proceed Issued	May 2, 1934

Contract now approximately 60% completed

Contract No. 2 consists of the construction of about 2,850 linear feet of the high-speed line in Camden from a point on the existing bridge structure about 100 feet west of Third Street, where provision for the high-speed line tracks ended in the original

bridge construction, to Fifth and Linden Streets, and thence southward in Fifth Street to Federal Street, with a passenger station at City Hall. Since the tracks descending from the bridge cross Fourth Street approximately at grade, a new underpass for vehicles is being constructed in Fourth Street as a part of this contract. This underpass is approximately 650 feet long and extends from Linden Street to Main Street, passing beneath the high-speed tracks. A short auxiliary underpass for pedestrians is also provided beneath the bridge structure and in this construction is included a combined pump room and chamber for the control of electrical apparatus.

The construction at the westerly end of this contract has consisted of additions and alterations to the structural steel and masonry of the bridge structure, required to bring the trackways together below the bridge. This has included extensive underpinning of the walls and columns of the bridge approach east of Fourth Street and a considerable amount of new construction west of Fourth Street.

At Fifth Street, the subway swings to the south and extends in Fifth Street to the north side of Federal Street. Difficult soil conditions encountered in this street, consisting of saturated fine sand and a heavy layer of mud below the structure, have made it desirable to construct this entire section of the subway within the lines of steel sheet piling. Due to the presence of ground water in large quantities, the contractor elected to underpin the buildings adjacent to the subway to ground water level at a depth of approximately 16 feet below the street surface, and to rely for additional support upon steel pipe piling jacked through the ground below this level to the resistance afforded by the weight of the superimposed buildings. These piles were located in niches provided in the underpinning walls. The subway structure has progressed from north to south and has been constructed in the dry, the ground water being removed by means of well points driven in advance of the deep excavation. Drainage of the subway is provided by means of cast-iron pipe with leaded joints which are designed to exclude the ground water. At the present date, the underpass is approximately 75 per cent completed, the work on the trackways west of Fifth Street is nearing completion, and the subway structure at Fifth Street is completed approximately to Cooper Street.

The entire contract is approximately 60 per cent completed.

CONTRACT No. 3—SUBWAY IN CAMDEN FROM FIFTH AND FEDERAL STREETS TO THE VICINITY OF HADDON AVENUE AND CARMAN STREET

Contractor.....	Triest Contracting Corporation
Date of Contract.....	June 8, 1934
Bids Opened.....	June 1, 1934
Aggregate of Bid.....	\$957,694.00
Notice to Proceed Issued.....	June 22, 1934
Contract now approximately	30% complete

This contract continues the subway construction of Contract No. 2 from Fifth and Federal Streets, crosses Federal Street and swings toward the east, running parallel with the tracks of the Pennsylvania Railroad, and ends about 70 feet west of Sixth Street, a total of 1,335 feet of two-track subway. The tracks adjacent to Broadway spread to provide for the platform of the Broadway station. On the roof of the subway proper and at the street level, station entrance buildings accessible from Broadway and Hudson Street, and also from a covered passageway about 300 feet long leading from Sixth Street, are to be constructed under this contract. Provision is made for future connection with the station of the Pennsylvania Railroad at this point, but for the present, connection between the railroad and the high-speed line will be through the stairways at the street level.

The subsurface conditions throughout this contract are similar to those in Contract No. 2 and steel sheet piling is required for the entire length of the subway for the protection of the adjacent properties. The problem of the maintenance and support of the structures and tracks of the Pennsylvania Railroad has been effected without damage to railroad property. A considerable amount of reconstruction of railroad pole lines

and tracks has been required on account of subway construction, and this work has been done by the Pennsylvania Railroad Company under a separate agreement with the Delaware River Joint Commission. At the present date, the bottom slab and structural steel are being placed from Federal Street to the vicinity of Hudson Street and the excavation is approaching completion west of Broadway. None of the difficulties expected in this section of the work have been experienced up to this time.

CONTRACT No. 4—CONCRETE DECK AND TRACKWAYS ON BRIDGE

Contractor.....	Turner Construction Co.
Date of Contract.....	August 22, 1934
Bids Opened.....	August 10, 1934
Aggregate of Bid.....	\$77,234.40
Notice to Proceed Issued.....	September 12, 1934
Work Completed.....	December 18, 1934

Contract No. 4 consisted of the laying of a reinforced concrete deck on the existing steel framework of the trackways of the bridge approaches on both the Philadelphia and Camden sides in preparation for the laying of ballasted track. The total length of trackway was 6,650 linear feet, and was expeditiously constructed by the contractor without trouble of any kind. Contract No. 4 was entered into as a separate contract in order that the concrete work preparatory to the track construction might be completed before cold weather set in.

CONTRACT No. 5—FURNISHING AND ERECTING MERCURY-ARC POWER RECTIFIER EQUIPMENT, TRANSFORMERS, AND SWITCH GEAR IN PHILADELPHIA AND CAMDEN SUBSTATIONS

Contractor.....	Allis-Chalmers Mfg. Co.
Date of Contract.....	August 21, 1934
Bids Opened.....	August 10, 1934
Aggregate of Bid.....	\$393,965.00
Notice to Proceed Issued.....	September 15, 1934

This contract covers the furnishing and erecting of mercury-arc power rectifier equipment, transformers, and switchgear for the substation buildings in Philadelphia and Camden.

Satisfactory progress is being made at the factory in Milwaukee in the manufacture and assembling of this equipment. Ignition and excitation equipment and mercury vacuum pumps have been completed and are under test. Rotary vacuum pumps are 50 per cent complete, rectifiers 15 per cent, triple harmonic transformers 20 per cent, and main rectifier and interphase transformers 10 per cent complete. Material for heat exchangers and vacuum-measuring devices is being assembled.

CONTRACT No. 6—TRACKWORK AND CONTACT RAIL

Contractor.....	E. R. Morehouse Company
Date of Contract.....	October 22, 1934
Bids Opened.....	October 12, 1934
Aggregate of Bid.....	\$737,481.45
Notice to Proceed Issued.....	November 5, 1934

This contract covers the work of furnishing and installing all of the trackwork required for operation of the high-speed line from its connection with the Eighth Street subway in Philadelphia to the terminus in Camden. The track construction in the subway section will be similar to that in the Philadelphia subways, and will consist of 100-pound A.S.C.E. rail supported on creosoted wood ties which will be embedded in concrete in the straight sections and fastened to steel channels embedded in concrete at the special work. On the bridge approaches the tracks will be standard tie construction laid in ballast on the concrete slabs constructed under Contract No. 4. Across the suspended spans, conventional bridge track construction will be used. Tracks for a small car storage yard below the bridge approach, between Third and Fourth Streets, Camden, are also provided for in this contract.

The contractor has been engaged in assembling materials; rails, plates, and ties are beginning to arrive on the job. The actual work of track laying will begin shortly after the first of the year.

CONTRACT No. 7-A—PHILADELPHIA SUBSTATION BUILDING

Contractor.....	Turner Construction Co.
Date of Contract.....	November 20, 1934
Bids Opened.....	November 9, 1934
Aggregate of Bid.....	\$75,520.20
Notice to Proceed Issued.....	December 12, 1934

This contract covers the erection of a brick building approximately 74 feet by 53 feet in size underneath the bridge structure on Front Street, north of Race Street, Philadelphia, to house the electrical equipment for high-speed line operation. The contractor has arranged for the approval of various subcontractors and has made a start on the foundations.

FUTURE CONTRACTS

Contract drawings and specifications for Contract 7-C, Camden substation building, were completed in December. Bids will be opened January 11, 1935. Contract drawings for passenger cars, substation wiring, signal system, station finish and control, lighting, pumps, ejectors, and heating are well under way and the necessary contracts are scheduled for advertising early next year.

Respectfully submitted,

MODJESKI, MASTERS AND CASE.

By RALPH MODJESKI.

APPENDIX "B"

BALANCE SHEET

December 31, 1934

	TOTALS	Bridge Operation	High-Speed Transit Project
<i>ASSETS</i>			
Cash in banks			
SINKING FUND: Investments, at par, in Delaware River Joint Commission Philadelphia-Camden Bridge Bonds: 1935's	\$ 1,072,681.40	\$ 774,739.62	\$ 297,941.78
1936's			
1937's			
1938's			
1939's			
1940's			
Cash	\$ 603,000.00		
Interest on investments accrued	6,493.05		
BOND SURPLUS FUND: Investments in Home Owners' Loan Corporation Bonds, 3's, 1952/44: Par Value	\$609,000.00	618,035.55	
Unaccumulated discount	8,389.68		
Cash	\$ 600,610.32		
Interest on investments accrued	66.56		
Cash on deposit with Fiscal Agent for unredeemed bond interest coupons #2	3,045.00		
Prepaid insurance premiums unexpired		603,721.88	
INVESTMENTS IN PHYSICAL PROPERTY:		977.50	
Bridge		39,626.76	
Cost to date of High-Speed Transit Project:	\$33,205,994.82		
Toll Funds expended in Project:			
Easement—City of Philadelphia	\$ 582,300.08		
Preliminary design	14,951.85		
Miscellaneous expenses	9,802.19		
Interest during construction	44,975.28		
P.W.A. allotted funds expended in Project:	652,029.40		
Construction			
Philadelphia Land	1,754,081.61		
Camden Land	385,441.18		
Cash deposited with N. J. Supreme Court for N. J. Land	294,910.10		
Engineering expense	18,778.00		
Field Offices expense	213,222.48		
Unexpended balance of amount made available by P.W.A. for High-Speed Transit Project: Loan and Grant	2,740,178.94		
(Appropriations available for development—\$500,000)	\$36,598,203.16	33,858,024.22	2,740,178.94
TOTALS	9,327,835.08		9,327,835.08
	\$48,261,081.33	\$35,895,125.53	\$12,365,955.80

BALANCE SHEET—Concluded

December 31, 1934

LIABILITIES

	TOTALS	Bridge Operation	High-Speed Transit Project
FUNDED DEBT:			
4½% serial bonds maturing 1935-73: Total authorized.....			\$41,000,000.00
Unissued (\$7,342,000 reserved for H.S.T.P.).....			7,380,000.00
		\$30,962,000.00	\$ 2,658,000.00
GOVERNMENTAL GRANT:			
Grant in aid of construction of High-Speed Transit Project	17,809.61		17,809.61
Premium received from sale of bonds allotted to P.W.A. for H.S.T.P.	126,510.32		126,510.32
Unpaid bond interest coupons #2	977.50	977.50	
Interest on bonds accrued	476,283.34	476,283.34	
Retained amount due contractors	168,014.02		168,014.02
Amounts withheld from contract estimates payable:			
Builders, Incorporated	\$52,026.89		
Turner Construction Company	15,759.88		
	67,786.77		67,786.77
UNREQUISITIONED BALANCE OF AMOUNT PLEDGED BY P.W.A. FOR HIGH-SPEED TRANSIT PROJECT:			
Total loan funds available	\$10,000,000.00		
Requisitioned	2,784,510.32		
	\$7,215,489.68		
Total estimated Grant	\$ 1,900,000.00		
Requisitioned	83,940.99		
	1,816,059.01		
Reserve for Land Settlements	\$ 177,750.28		
Reserve for Construction	5,342.68		
Reserve for Engineering and Field Expense	7,797.71		
Reserve Unclassified (Loan Funds)	39,264.34		
Reserve Unclassified (Grants)	66,131.38		
Reserve for Sinking Fund	\$ 400,000.00		
Reserve for Bond Surplus Fund to December 31, 1934	866,211.04		
	1,266,211.04	1,266,211.04	
Tolls Income invested in High-Speed Transit Project	652,029.40	652,029.40	
SURPLUS	2,537,624.25	2,537,624.25	
	\$48,261,081.33	\$35,895,125.53	\$12,365,955.80

APPENDIX "C"

FINANCIAL SUMMARY 1934

Toll and Rental Receipts.....	\$2,836,547.10
Interest received on bank balances.....	9,161.40
Miscellaneous	544.14
TOTAL	\$2,846,252.64
Less:	
Federal Reserve Bank corrections of Camden Safe Deposit and Trust Company's Cash.....	\$126.38
Ticket refunds	10.00
Toll refunds	—0—
	136.38
TOTAL GROSS RECEIPTS.....	\$2,846,116.26
Less: Expenses (Usual)	
Salaries	\$330,829.84
Equipment	5,639.71
Supplies	11,053.66
Repairs	14,153.63
Miscellaneous (including light and heat) ..	43,938.84
Insurance (All Risk)	11,805.56
Insurance (Employees)	337.01
	\$417,758.25
(Unusual)	
Camden Market and Third Street Supply Station	\$4,004.03
Issuing bonds	7,650.35
	11,654.38
TOTAL EXPENSES	429,412.63
	\$2,416,703.63
Other Deductions:	
Interest accrued on bonds 1/1 to 12/31/34.....	1,314,683.24
TOTAL OPERATING INCOME.....	\$1,102,020.39
Add: Non-Operating Income:	
Sinking Fund Income.....	\$12,573.13
Bond Surplus Fund Income.....	6,268.75
	18,841.88
NET INCOME	\$1,120,862.27

APPENDIX "D"

LEASE OF HIGH-SPEED LINE TO P. R. T. CO.

THIS INDENTURE, made this 15th day of June, A.D. 1934, between The Delaware River Joint Commission, a public corporate instrumentality of the Commonwealth of Pennsylvania and of the State of New Jersey (hereinafter called "Commission"), of the first part, lessor, and Philadelphia Rapid Transit Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called "Company"), of the second part, lessee, Witnesseth:

WHEREAS, Under and by virtue of a certain agreement dated July 1, 1931, entered into between the Commonwealth of Pennsylvania and the State of New Jersey duly authorized by the Act of Assembly of the Commonwealth of Pennsylvania approved June 12, 1931 (P.L. 575), and by the Act of the State of New Jersey approved June 30, 1931 (Chapter 391, Laws of New Jersey, 1931), Commission was created to constitute the public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey for the purposes, *inter alia*, of:

The operation and maintenance of the bridge, owned jointly by the two States and the City of Philadelphia, as its interests may appear, across the Delaware River between the City of Philadelphia in the Commonwealth of Pennsylvania and the City of Camden in the State of New Jersey, including its approaches, and the making of additions and improvements thereto;

The effectuation, establishment, construction, operation and maintenance of railroad or other facilities for the transportation of passengers across the said bridge, including extensions thereof, to the vicinity of Race Street and Eighth Street in the City of Philadelphia and to the vicinity of Carman Street and Haddon Avenue in the City of Camden;

The procurement from the Government of the United States of any consents which may be requisite to enable any project within its powers to be carried forward; and

WHEREAS, By a joint resolution of the Senate and House of Representatives of the Congress of the United States, approved June 14, 1932, the consent of the Federal Government to said agreement was duly procured; and

WHEREAS, Commission proposes to construct and equip for operation a high-speed electric rail transit line across the aforementioned bridge, including extensions thereof, to Race and Eighth Streets in Philadelphia, Pennsylvania, and the vicinity of Carman Street and Haddon Avenue in Camden, New Jersey, which said line is herein called "Bridge Line"; and

WHEREAS, Commission has obtained the consent of the City of Philadelphia and the consent of the City of Camden to the construction, operation and maintenance of said Bridge Line upon, through and under, *inter alia*, approaches to said bridge, public highways and property of the City of Philadelphia and of the City of Camden, respectively, from the Philadelphia portal of the said bridge to Eighth and Race Streets, Philadelphia, and from the Camden portal of the said bridge to the vicinity of Carman Street and Haddon Avenue, Camden; and

WHEREAS, Company is a motor power company, duly organized and existing under the laws of the Commonwealth of Pennsylvania, and by virtue of various leases, agreements and stock ownerships is operating a system of surface, elevated and underground railways and buses in Philadelphia, with minor extensions into the surrounding territory, and is authorized and empowered, *inter alia*, to operate rapid transit facilities constructed by Commission; and

WHEREAS, the City of Philadelphia has built and equipped for operation a subway known as the Broad Street Subway, extending from Grange Avenue to Kater Street, Philadelphia, and a subway branch thereof known as the Ridge Avenue-Eighth Street Subway, extending from a connection with the Broad Street Subway at Broad Street and Ridge Avenue to Eighth and Ranstead Streets, Philadelphia, and Company is now operating the same as lessee of the City of Philadelphia; and

WHEREAS, the City of Philadelphia is constructing a subway extension of the Broad Street Subway known as the Broad Street Subway South Extension, from Kater Street to Snyder Avenue, Philadelphia; and said City is constructing a subway known as the Locust Street Subway, extending in Eighth Street and in Locust Street, from Eighth and Ranstead Streets to Eighteenth and Locust Streets, Philadelphia; and said City is preparing to equip said two Subways for operation; and said City has constructed a part of a subway connection known as the Bridge Line Connecting Spur, owned by said City, and which, pursuant to an agreement between Commission and said City dated December 22, 1933 and entered into in accordance with the provisions of an ordinance of said City of August 16, 1933, is to be completed and

equipped by Commission for operation and make connection at or near Eighth and Race Streets, Philadelphia, between the Ridge Avenue-Eighth Street Subway and the Bridge Line; and the said two Subways and said Spur are to be operated by Company as lessee, pursuant to the provisions of an agreement of lease between the City of Philadelphia and Company, when, as and if completed; and

WHEREAS, it has been deemed advisable that the parties hereto enter into an agreement providing for the letting and demising of the aforesaid Bridge Line when and as the same shall be fully constructed and equipped by Commission ready for operation;

NOW THEREFORE, in consideration of the mutual covenants hereafter contained, it is agreed between the parties hereto as follows:

1. (a) Commission hereby agrees to let and demise its high-speed electric rail transit line beginning at, and including, the terminal thereof in the vicinity of Carman Street and Haddon Avenue in Camden, New Jersey, and extending to the place at or near Eighth and Race Streets in Philadelphia, Pennsylvania, where said line will make connection with the Ridge Avenue-Eighth Street Subway by means of the Bridge Line Connecting Spur, said line to run substantially as shown on a Drawing of Commission numbered "File No. 2045," dated May 1934, and entitled "General Plan Demised Properties," if, when and as the said line shall be completed and equipped ready for operation by Commission, with all appurtenances, railways, equipment, lands, improvements, tenements and hereditaments thereof and belonging thereto, including, without limiting the generality of the foregoing, all tunnels, subways, terminals, yards, car-housing, depots, stations, entrances, exits, approaches, buildings, rolling stock, motive equipment, drainage equipment, heating equipment, lighting equipment, cleaning equipment, ventilation equipment, motors, boilers, engines, pumps, machinery, spare parts, tools, apparatus, appliances, fixtures, parts, rights-of-way, tracks, switches, connections, sidings, turn-outs, cross-overs, poles, wires, ways, conduits, station control equipment, signals, signal devices, power substations, power conductors, conductor rails, lines for transmission of power, power converting facilities, cables, connections with power sources, power equipment and electrical equipment, which are necessary for the safe, convenient and efficient operation of said transit line. No part of the structure of the aforesaid bridge of Commission or the approaches thereto, as now in place or as the same may hereafter be altered or added to, is included in the property demised hereunder, but the tunnels, railway rails, contact rails, ties, ballast, cables and signal equipment of said transit line therein and thereon are included in the property demised hereunder. Commission is under no obligation hereunder to complete and equip said line and make the same ready for operation, but if, when and as Commission has completed and equipped and made the same ready for operation, as aforesaid, the same, as so completed and equipped, shall be thenceforth let and demised to and occupied, used and operated by Company under the terms and conditions prescribed in this Indenture and for the Term hereof. The said high-speed electric rail transit line, as so completed and equipped, is in this Indenture called the "Bridge Line."

(b) Company shall, however, be under no obligation to take possession of or use and operate the Bridge Line (1) unless and until such time as the Bridge Line Connecting Spur is also completed and equipped by Commission ready for operation; and (2) unless, at the time the Bridge Line and the Bridge Line Connecting Spur are completed and equipped and ready for operation, Company shall be operating the Broad Street Subway and the Ridge Avenue-Eighth Street Subway and shall have the right to operate the Bridge Line Connecting Spur and the Locust Street Subway if said Locust Street Subway is then completed and equipped and ready for operation.

(c) Before Company shall be obligated to accept and take possession of and use and operate under the terms of this Indenture the Bridge Line, Commission shall notify Company in writing of the impending completion and equipment thereof ready for operation, at least three (3) months prior to the probable date of completion and equipment thereof, ready for operation; and Company shall have access to the Bridge Line for operating trial and tests and training of employes, at least two (2) months prior to the date of the beginning of operation thereof.

2. (a) The Term of the letting and demising under this Indenture shall commence with the first day of Company's operation of the Bridge Line in passenger service on which Company collects fares and shall end on June 30, 1937, and shall extend for additional successive periods of four years, unless and until terminated by either party giving to the other party notice in writing four (4) months prior to June 30, 1937 or four (4) months prior to June 30 of any fourth year following the year 1937; unless the said Term is sooner terminated in accordance with the provisions of this Indenture, and if so terminated the said Term shall end on the date of such termination.

(b) Should Company cease to be the operating lessee of the Broad Street Subway, the Broad Street Subway South Extension, if Company shall have been operating the same, the Locust Street Subway, if Company shall have been operating said Subway, and the Ridge Avenue-Eighth Street Subway, either Commission or Company shall have the right to end the Term hereof forthwith.

3. Company shall be consulted by Commission and Company shall cooperate with Commission in the matter of plans and designs of all line, structure and equipment of the Bridge

Line, and such plans and designs shall be acceptable to Company, to the end that the Bridge Line shall be properly coordinated with the subway system owned by the City of Philadelphia which is operated by Company so that the same may be efficiently and economically operated together.

4. (a) The right and power of the City of Philadelphia, Pennsylvania, and the City of Camden, New Jersey, to exercise, on the parts of the demised property respectively within said two cities, their police authority and control in the prevention or suppression of crime, riot or disorder and for the purpose of extinguishing fire shall not be abridged by any provision of this Indenture.

(b) The said two cities shall also have access to the parts of the demised property respectively within said two cities, at any and all reasonable times and under reasonable regulations of Company, and without avoidable interference with the operation thereof, for the purpose of inspection of the demised property, for the installation, repair, maintenance, removal or other work necessary to be done by said two cities, their lessees or licensees, in connection with sewers, pipe lines, conduits, cables, drains or other underground or overhead structures, or for any lawful municipal purpose.

(c) The City of Philadelphia shall also have access to the demised property, at any and all reasonable times and under reasonable regulations of Company, and without avoidable interference with the operation thereof, for the purpose of making traffic counts and for reading turnstiles, in order to ascertain the number of passengers carried on the Bridge Line who are also carried on the subways owned by the City of Philadelphia.

(d) Commission shall at any and all reasonable times and under reasonable regulations of Company, and without avoidable interference with the operation thereof, have the right of access to all parts of the demised property for the purpose of inspection or examination of the condition thereof, for the making of any inventory provided for in this Indenture, for the purpose of doing thereon any work Commission may need to do and for accounting purposes. Commission agrees to indemnify and save Company harmless from all claims, liability, judgments, damages, loss and expenses which Company may at any time incur by reason of any injury or death of any person or damage to any property resulting from any act or omission of any servant, agent or employee of Commission or of any independent contractor of Commission while upon the demised property or while upon the property of Company, by reason of permitting such access.

5. (a) Company shall at all times maintain the demised property in first-class physical condition and operating efficiency so that upon the termination of the Term hereof it shall be in the same and like good condition as it is when delivered to Company, reasonable wear and tear excepted, and subject, however, to the provisions of Sub-section 10 (b) hereof; and Company assumes adequately to maintain, operate, light, clean and police all parts of the demised property, including the stairways, escalators and approaches of said demised property except where any such obligation has been or is hereafter contractually assumed by any abutting property owner or tenant; and Company shall replace and renew all demised property which may be lost or worn out.

(b) It is understood and agreed, however, that Company shall be under no obligation to maintain, paint, replace or renew any part whatever of the bridge structure and the approaches thereto as now in place or as the same may hereafter be added to or altered. Commission agrees that it will at all times paint and maintain all parts of said bridge structure and the approaches thereto in first-class physical condition and operating efficiency and will replace and renew all parts thereof which may be lost or worn out. Company shall be under no obligation to light any part of said bridge structure and the approaches thereto between the Philadelphia and Camden tunnel portals; the lighting thereof shall be done by Commission. Commission agrees that the maintenance, painting, replacement and renewal of the said bridge structure and the approaches thereto shall be done without avoidable interference with the operation of the Bridge Line. Any necessary expense which Company may reasonably incur in connection with Commission's said maintenance, painting, replacement and renewal shall be paid by Commission to Company on the basis of actual cost of wages and materials as shown by daily reports which shall be furnished to Commission; and if not so paid within three months after bills therefor have been rendered to Commission, Company may deduct the same from rental payments under this Indenture until the amount has been fully recouped. Commission agrees to indemnify and save Company harmless from all claims, liability, judgments, damages, loss and expenses which Company may at any time incur by reason of any injury or death of any person or damage to any property resulting from any act or omission of any agent, servant or employee of Commission or of any independent contractor of Commission while engaged in said maintenance, painting, replacement or renewal.

(c) Company shall insure in a responsible insurance company or companies either separately or by inclusion in blanket policies all parts of the demised property (the same not including, however, any part of the bridge structure or the approaches thereto) which are inflammable, combustible and subject to serious risk of damage by fire, including but not limiting the insurance to rolling stock, car housing, buildings, motive and heating equipment, and such power

and power converting facilities and electrical equipment as are subject to such risk of fire damage, against loss or damage by fire to an amount equal to eighty per cent (80%) of the insurable value thereof. In the event of loss or damage by fire, Company shall apply the insurance proceeds to the replacement or restoration of the demised property destroyed or damaged and to such extent as the demised property (the same not including, however, any part of the bridge structure or the approaches thereto) is not insured Company shall replace or repair such demised property at its own cost. Any loss or damage to the said demised property caused by the negligence of the Company or its employees shall be replaced or restored by the Company at its own cost.

6. Company agrees to maintain personnel, methods and standards in all respects adequate to the reasonable operating needs of the Bridge Line; and further agrees that at all times during the Term hereof it will operate the Bridge Line, with the equipment furnished by Commission, so that in connection with the other lines operated by Company it will furnish safe and reasonably adequate service to the public. Commission agrees that Company may operate the Bridge Line in joint operation with the Subways operated by Company which are owned by the City of Philadelphia.

7. The gross receipts from whatever source derived by Company, or on its behalf, in any manner from, on account of, or in connection with the operation of the demised property shall be retained by Company and Company shall pay, in connection with the demised property, all operating expenses, water rents and taxes (except such taxes as may fall upon ownership of the demised property).

8. (a) Rent for the demised property shall begin to accrue on the first day of the Term hereof.

(b) The rental payable for the demised property shall be an amount equal to two and one-half ($2\frac{1}{2}$) cents for each fare-paying passenger who is carried by Company on the Bridge Line across the bridge.

(c) Payments of rental shall be made by Company to Commission monthly, on or before the last day of each month, and such payments shall respectively be in an amount equal to two and one-half ($2\frac{1}{2}$) cents for each fare-paying passenger who was carried by Company on the Bridge Line across the bridge during the preceding month.

(d) The number of fare-paying passengers carried on the Bridge Line across the bridge shall be determined from the records of passengers entering and/or leaving stations of the Bridge Line. Commission shall have the right to verify turnstile readings and the aforesaid records of passengers carried, under reasonable Company regulations.

9. (a) A single fare shall be charged for a continuous ride over the bridge on the Bridge Line and on that part of the Ridge Avenue-Eighth Street Subway which begins at the place at or near Eighth and Race Streets, Philadelphia, where the Bridge Line connects, by means of the Bridge Line Connecting Spur, with the Ridge Avenue-Eighth Street Subway, and which ends at the terminal thereof at or near Ranstead Street (which said part of the Ridge Avenue-Eighth Street Subway just described is in this Indenture called the "Eighth Street Subway") and on the Locust Street Subway when said Subway is completed and equipped and is operated by Company.

(b) Said single fare shall be not more than the base fare charged from time to time during the Term hereof by Company on the subway lines then operated by Company which are owned by the City of Philadelphia, plus two and one-half ($2\frac{1}{2}$) cents per passenger, which latter amount may be collected by Company from passengers as they enter or leave stations in Camden and which may be paid by passengers with tokens which Company will sell at the rate of (2) for five (5) cents.

(c) The same general system of free transfer privileges and transfer privileges at an additional charge as Company shall maintain from time to time during the Term hereof for passengers using the subway lines then operated by Company which are owned by the City of Philadelphia shall be maintained by Company during the Term hereof for Bridge Line passengers, to and from other lines operated by Company; provided, however, that in each case the fare paid by passengers using the Bridge Line and crossing the bridge shall include the two and one-half ($2\frac{1}{2}$) cents specified in Subsection (b) above. Company will furnish free of charge such conveniences and transportation as may be required for inspection and examination of the demised property by Commission.

(d) It is recognized and understood that provisions relating to routes, service, fares, transfer privileges and similar matters may be subject to regulatory law and to the jurisdiction of regulatory commissions or other regulatory bodies, and any alteration thereof made in conformity with such regulatory laws and/or ordered or approved by such regulatory commission or body shall not otherwise vitiate or abrogate the terms of this Indenture.

10. (a) Company shall be responsible for and shall indemnify and hold Commission harmless against any loss, damage or injury to person or property, including the demised property, judgment, liability and actions of any description resulting from the operation or

maintenance of the demised property, or resulting from any act or omission of the Company, its agents, servants or concessionaires in the use of the demised property or from any negligence on its or their part or from any cause, whether or not attributable to the design, materials or construction of the demised property, which could have been prevented or avoided by the ordinarily diligent and careful maintenance and use thereof, including ordinary seepage or sweating, or from any cause whatever arising in or from the operation or use of Commission's rolling stock on subway lines owned by the City of Philadelphia as provided for in Section 11, and Company shall bear all costs in connection therewith.

(b) Commission shall be responsible for and shall indemnify and hold Company harmless against any loss, damage or injury to person or property, including the demised property, judgment, liability and actions of any description resulting from defects in design, materials or construction of the demised property (except as in Subsection 10 (a) provided) or of the bridge structure and approaches thereto or from any cause or causes growing out of war, riot, flood, bursting or leaking water mains, gas mains or sewers (unless the damage from such flood, bursting or leaking is proximately caused by negligent maintenance or operation) earthquake or other extraordinary casualty comprehended under the term "Act of God" or vis majeure; and Commission shall bear all costs in connection therewith and in connection with any restoration or replacement of the demised property required thereby. In the event that such expenditures are paid in the first instance by Company, the amount thereof shall be repaid to Company by Commission and if not so paid within three months after bills therefor have been rendered to Commission, Company may deduct the same from rental payments under this Indenture until the amount has been fully recouped.

11. Commission shall furnish forty-four (44) cars for initial operation. Commission agrees to furnish such additional cars as shall be required by the growth of Bridge Line traffic, the number thereof to be mutually agreed upon between Commission and Company. Commission agrees that cars owned by the City of Philadelphia may, as emergencies of operation may require, be operated by Company on the Bridge Line; the operation thereof shall, however, be without any liability whatever on the part of the City of Philadelphia on account of such operation or any result thereof. Commission agrees that Commission's cars may be operated by Company in through service to Eighteenth and Locust Streets, Philadelphia, on the Bridge Line Connecting Spur, the Eighth Street Subway and the Locust Street Subway; and that Commission's cars may be operated by Company on any other subway lines owned by the City of Philadelphia to such extent as emergencies of operation require.

12. Company shall have the right to use or permit the use of the demised property for purposes not strictly of a transportation nature, including the maintenance of news and other stands, weighing and vending machines and advertising signs, and other concessions, provided that such uses do not impair the use of said property for transportation purposes. All income therefrom shall be the property of Company.

13. Commission shall prepare and file with Company a full and correct descriptive inventory of the demised property used by Company at the time such property is delivered to Company. All movables included therein shall be suitably marked by Commission to indicate the Commission's ownership. Said inventory shall be kept up to date by Commission with respect to the changes, alterations, additions or replacements by whomsoever made, during the Term hereof, Company shall at the expiration of the Term hereof, surrender to Commission all the demised property in the same good order and condition as it shall be when possession thereof is accepted by Company, ordinary wear and tear excepted, subject, however, to the provisions of Subsection 10 (b) of this Indenture. Company shall also deliver to Commission all improvements, additions, replacements and betterments to the demised property by whomsoever made and all property furnished by Company under the maintenance provisions of this Indenture.

14. Whenever Commission or Company shall deem it necessary or expedient to make changes, alterations or additions to the demised property, the party making such proposal shall submit to the other party hereto a report stating the nature of and reasons for such changes, alterations or additions. If Company makes such a proposal, Company shall also submit to Commission an estimate of the total cost of such changes, alterations or additions, properly distributed in accordance with the Uniform System of Accounts for Electric Railways. The party proposing such changes, alterations or additions may proceed to make the same when and if the other party hereto shall approve the proposal, in writing. All such changes, alterations, or additions shall be made at such time and in such manner as shall be agreed upon by Commission and Company. The cost of said changes, alterations and additions, whether proposed by Commission and approved by Company or proposed by Company and approved by Commission shall be borne by Commission. In the event such cost is paid in the first instance by Company, the amount thereof shall be repaid to Company by Commission and if not so repaid within three months after bills therefor have been rendered to Commission, Company may deduct the same from rental payments under this Indenture until the amount has been fully recouped. Any future extension of the Bridge Line is not and shall not be deemed to be in any way subject to the provisions of this Section.

15. Company shall have the right to provide at its own cost cable ties between Commission substations and other substations used by Company; provided; however, that the Bridge Line shall be maintained as a single and independent operating unit.

16. All of the provisions of this Indenture shall apply to any changes, alterations or additions to the demised property by whomsoever made.

17. Commission agrees to indemnify and save Company harmless from liability, damage or loss which Company may at any time incur on account of any patent infringement resulting from the installation or proper use of any device or appurtenance; Provided, however, that Commission shall not be responsible for any liability, damage or loss to Company on account of any patent infringement occurring from a use of any device or appurtenance not in accordance with the use for which it was designed, or from the installation or use of any improvement, addition, device or appurtenance in connection with the demised property which shall have been made at the request of Company.

18. Company, keeping and performing the covenants herein contained upon its part to be kept and performed, shall and may at all times and from time to time peacefully and quietly have, hold, use and enjoy the demised property without any manner of let, suit, trouble or hindrance from the Commission, except as otherwise provided in this Indenture.

19. Upon the termination of this Indenture for any cause whatsoever, Commission shall have the right to re-enter upon and take over the demised property, together with all improvements, additions and replacements by whomsoever made; provided, however, that Company may remove from the demised property all movable property owned by it.

20. (a) If, in case of any default by Company in carrying out the covenants and provisions of this Indenture, it shall, in the judgment of Commission, be necessary for the protection of the rights, interests and estate of Commission in the demised property, to commence proceedings in ejectment, or other action in law or equity, for the whole or any part of the demised property, it shall be competent for any attorney or attorneys of any court of record of the Commonwealth of Pennsylvania and/or the State of New Jersey, to appear on behalf of Company, for which this or a copy hereof shall be his sufficient warrant, and confess judgment in such ejectment or other proceedings, and thereupon a writ of haberi facias possessionem may forthwith issue. Company further hereby authorizes and empowers any attorney of any court of record of the Commonwealth of Pennsylvania to appear for it and confess judgment for rent hereunder which remains unpaid for the space of sixty (60) days after it shall have become due and payable; and does hereby voluntarily condemn any real estate that may be levied upon to collect said judgments and authorizes the Prothonotary to enter upon the Fi. Fa. said voluntary condemnation, and does further agree that said estate may be sold on a Fi. Fa. and does hereby waive and release all relief from any and all appraisement, stay or exemption laws of any State now in force or hereafter to be passed.

(b) Each of such remedies shall be in addition to any other remedy and may be exercised from time to time as often and in such order as may be deemed expedient by Commission, and the exercise or the beginning of the exercise of one remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter the same or any other remedy, except that no two inconsistent remedies shall be exercised at the same time.

(c) All the rights and remedies enumerated in the foregoing Subsections 20 (a) and (b) shall accrue and be available to Commission in the event of the exercise of the right of re-entry and upon re-possession of its property by any of the corporations which prior to the date of this Indenture have leased to Company, any part of the other railway lines operated by Company.

21. Except as hereinafter provided, neither this Indenture nor any right or property granted or demised to Company herein shall be transferred, assigned, sublet, mortgaged or encumbered by Company in any way, without the consent of Commission; provided that this clause is, however, subject to the provisions of Section 12 of this Indenture; any such transfer, assignment, mortgage or encumbrance by Company, without Commissioner's consent, shall constitute a default by Company of the covenants and provisions of this Indenture which shall cause all the rights and remedies herein reserved to Commission, in cases of default, to become immediately available to Commission. The appointment of a Receiver for Company by any court shall not be deemed a transfer or assignment within the meaning of this section; but should a Receiver or Receivers be so appointed then all the provisions of this Indenture, including Commission's right of termination hereof and Commission's right to re-enter for non-payment of rent shall remain operative against such Receiver or Receivers. Should Company or said Receiver or Receivers omit or fail to pay the rental hereby reserved, or any part thereof, for ninety (90) days after the same shall become due and payable, then and in that event Commission may at its option declare this Indenture to be terminated, and at the expiration of thirty (30) days after written notice of such termination shall have been given to the Receiver or Receivers, or to the Company, this lease shall cease, end and determine, and Commission may thereupon re-enter upon and repossess the demised property. Company shall have the right to assign this Indenture and all rights and property granted and demised to Company hereunder to a subsidiary of Company formed for the purpose of operating the Bridge Line. No assignment of this lease, or of any

of the rights or privileges herein granted, shall in any way diminish the primary obligation and liability of Company to perform all the obligations of this lease; its obligations hereunder shall in no respect be diminished or impaired by any such assignment, but it shall remain liable jointly and severally with such assignee or covenantee for the performance of all the obligations hereof to the same extent as if no assignment, sub-lease or contract had been made by it. In any case in which an assignment of this lease shall be made, written notice thereof giving the name of the assignee and a copy of the assignment shall be filed by Company with Commission and with the Mayor of the City of Philadelphia before such assignee shall acquire any rights under this lease.

22. Commission recognizes and agrees that the terms, conditions and covenants contained in the agreement between Commission and the City of Philadelphia dated December 22, 1933, which said City therein bound itself, in favor of Commission, to extend to said City's lessee of the Eighth Street Subway have been so extended, adequately and completely, in the agreement of lease of said City's subways to Company which is effective beginning with July 1, 1933.

23. It is understood and agreed that this Indenture shall, before becoming effective, be approved by an ordinance of Council of the City of Philadelphia.

IN WITNESS WHEREOF each of the parties hereto has caused these presents to be duly executed and its corporate seal to be hereto affixed and duly attested, as of the day and year first above written.

APPENDIX "E"

LOAN AND GRANT AGREEMENT

WHEREAS, under and by virtue of a certain agreement dated July 1, 1931, entered into between the Commonwealth of Pennsylvania and the State of New Jersey duly authorized by the Act of Assembly of the Commonwealth of Pennsylvania of June 12, 1931 (P.L. 575), and by the Act of the State of New Jersey (Chapter 391 Laws of New Jersey 1931) approved June 30, 1931, the Delaware River Joint Commission was created to constitute the public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey for the purposes, *inter alia*, of

The operation and maintenance of the bridge owned jointly by the two States and the City of Philadelphia, as its interests may appear, across the Delaware River between the City of Philadelphia in the Commonwealth of Pennsylvania and the City of Camden, in the State of New Jersey, including its approaches, and the making of additions and improvements thereto;

The effectuation, establishment, construction, operation, and maintenance of railroad or other facilities for the transportation of passengers across the said bridge, including extensions thereof to the vicinity of Race Street and Eighth Street in the City of Philadelphia and to the vicinity of Carman Street and Haddon Avenue in the City of Camden;

AND WHEREAS, under the terms of said agreement there was vested in the said Commission the power, *inter alia*, to borrow money upon its bonds or other obligations either with or without security, and

WHEREAS, the said Commission proposes to construct, operate and maintain a high-speed electric rail transit line across the said bridge including extensions thereof to Race Street and Eighth Street in the City of Philadelphia and to the vicinity of Carman Street and Haddon Avenue in the City of Camden, and has applied to the Federal Emergency Administration of Public Works for a loan and grant not to exceed \$11,900,000 to cover the cost of constructing the said transit line.

THEREFORE, BE IT RESOLVED, That the Commission enter into an Agreement with the United States of America upon the following terms and conditions and that the Agreement be executed on behalf of the Commission by its Chairman, Gifford Pinchot or its Vice-Chairman, John B. Kates and by the Secretary, Joseph K. Costello:

LOAN AGREEMENT dated as of May 4, 1934 between THE DELAWARE RIVER JOINT COMMISSION (herein called the "Borrower"), and the UNITED STATES OF AMERICA (herein called the "Government").

PART ONE

GENERAL PROVISIONS

1. *Amount of Loan and Grant, Purchase Price and Purpose.* Subject to the terms and conditions of this Agreement, the Borrower will sell and the Government will purchase \$10,000,000 aggregate amount of the bonds (herein called the "Bonds") of the Borrower, being part of an authorized issue of \$41,000,000, (herein called the "Issue") at a price, to be fixed as of the date of payment for and delivery of the Bonds or any block thereof, to yield approximately 4 per centum per annum to maturity upon the amount paid, exclusive of accrued interest; and, in addition to the amount of Bonds to be purchased, the Government will make a grant (herein called the "Grant") to the Borrower of 30 per centum of the cost of the labor, and materials employed upon the Project hereinafter referred to; provided, that the total amount (exclusive of accrued interest) paid by the Government for the Bonds, together with the Grant and any other funds (herein called "Other Funds") received directly or indirectly from the Government or any agency or instrumentality thereof to be used to aid in financing the construction of the Project, shall not exceed in aggregate amount the total cost of the Project, and in no event shall such aggregate amount exceed \$11,900,000 (except for such payment, if any, as may be made under the provisions of Paragraph 11, PART TWO hereof), the proceeds derived from the sale of the Bonds and the amount paid on account of the Grant to be used

for the construction by the Borrower of a high-speed electric rail transit line across the Delaware River (Philadelphia-Camden) Bridge with subway extensions in Philadelphia, Pennsylvania and Camden, New Jersey (herein called the "Project"), and for incidental purposes, (said Delaware River Bridge, including all additions and improvements thereto, replacements thereof and facilities thereon subsequently constructed or acquired, and including the Project, being herein called the "System"); all pursuant to the Borrower's application (herein called the "Application"), P. W. A. Docket No. 1293, the proceedings authorizing the issuance of the Bonds, Title II of the National Industrial Recovery Act (herein called the "Act"), approved June 16, 1933, and the Constitution and Statutes of the Commonwealth of Pennsylvania and the State of New Jersey including particularly:

Act No. 200, Laws of Pennsylvania, 1931

Chapter 391, Laws of New Jersey, 1931

Agreement between Commonwealth of Pennsylvania and State of New Jersey dated July 1, 1931

2. *Description of Bonds*

- (a) *Designation.* Delaware River Joint Commission Philadelphia-Camden Bridge Bonds.
- (b) *Authorized Principal Amount.* \$41,000,000.
- (c) *Type.* Negotiable general obligation coupon bond.
- (d) *Registration.* Registerable at the option of the holder as to principal only or as to principal and interest.
- (e) *Date.* September 1, 1933.
- (f) *Interest.* 4¼ per centum per annum, payable semi-annually on March 1 and September 1.
- (g) *Maturities.* Serial, on the 1st day of September in each stated year, as follows:

Year	Bond Numbers	Amount	Year	Bond Numbers	Amount
1935	152 - 200	\$ 49,000	1956	13,757 - 14,000	\$244,000
1936	352 - 400	49,000	1957	14,757 - 15,000	244,000
1937	552 - 600	49,000	1958	15,757 - 16,000	244,000
1938	790 - 850	61,000	1959	17,135 - 17,500	366,000
1939	1,040 - 1,100	61,000	1960	18,635 - 19,000	366,000
1940	1,290 - 1,350	61,000	1961	20,135 - 20,500	366,000
1941	1,578 - 1,650	73,000	1962	21,635 - 22,000	366,000
1942	1,916 - 2,000	85,000	1963	23,134 - 23,500	367,000
1943	2,379 - 2,500	122,000	1964	24,635 - 25,000	366,000
1944	2,879 - 3,000	122,000	1965	26,135 - 26,500	366,000
1945	3,454 - 3,600	147,000	1966	27,635 - 28,000	366,000
1946	4,130 - 4,300	171,000	1967	29,134 - 29,500	367,000
1947	4,906 - 5,100	195,000	1968	30,635 - 31,000	366,000
1948	5,781 - 6,000	220,000	1969	32,133 - 33,000	488,000
1949	6,757 - 7,000	244,000	1970	34,513 - 35,000	488,000
1950	7,757 - 8,000	244,000	1971	36,513 - 37,000	488,000
1951	8,757 - 9,000	244,000	1972	38,512 - 39,000	489,000
1952	9,757 - 10,000	244,000	1973	40,484 - 40,962	479,000
1953	10,757 - 11,000	244,000			
1954	11,757 - 12,000	244,000			
1955	12,756 - 13,000	245,000			
			TOTAL.....		\$10,000,000

(h) *Security.* Direct and general obligations of the Borrower, further secured by the revenues of the System remaining after providing for the expenses of maintenance and operation thereof. The revenues so remaining are irrevocably pledged for, and shall be applied to the payment of the principal of the bonds of the Issue as they mature or are called for redemption, and the interest thereon as it falls due, to the extent and in the manner herein provided.

(i) *Place and Medium of Payment.* At the principal offices of the Real Estate-Land Title and Trust Company of Philadelphia, Pennsylvania in such funds as are, on the respective dates of payment of the principal of and interest on the Bonds, legal tender for debts due the United States of America.

(j) *Denomination.* \$1,000.

3. *Form, Text and Sample of Bond.* The Bonds shall be in form and text satisfactory to the Legal Division of the Federal Emergency Administration of Public Works, (herein called "Counsel for the Government"). The Borrower shall submit a sample or specimen bond (with coupons) for approval by Counsel for the Government.

4. *Method of Purchase of Bonds.* The Bonds shall be purchased in blocks from time to time as funds are needed for the Project, or the entire amount thereof may be purchased by the

Government at one time, in the discretion of the Finance Division of the Federal Emergency Administration of Public Works (herein called the "Finance Division").

5. *Amount of Bonds to be Purchased.* The Government shall be under no obligation to purchase Bonds beyond the amount which, together with the amount to be paid to the Borrower on account of the Grant pursuant to Paragraphs 8 and 10, PART TWO hereof, and other funds, shall be necessary, in the judgment of the Engineering Division of the Federal Emergency Administration of Public Works (herein called the "Engineering Division") to provide sufficient funds to enable the Borrower to complete the Project. In case any of the Bonds are sold to purchasers other than the Government, the principal amount of Bonds which the Government is obliged to purchase shall be correspondingly reduced. All of the Bonds not sold at the time the Project is completed shall be cancelled and no additional bonds shall be issued in lieu thereof. Such Bonds, when cancelled, shall be exhibited to the Government for recording.

6. *Deposit of Bond Proceeds and Grant.* The Borrower will pay all accrued interest which it receives from the sale of the Bonds (and any payment which may be made on account of the Grant under the provisions of Paragraph 11, PART TWO hereof), into the Sinking Fund provided for in Paragraph 10, PART ONE, hereof. It will deposit the remaining proceeds from the sale of the Bonds (whether sold to the Government or to others) and any payments made on account of the Grant pursuant to Paragraphs 9 and 10, PART TWO hereof, in a bank or banks which are members of the Federal Reserve System, in a special account or accounts each of such special accounts to be continuously secured by a pledge to the Borrower of direct obligations of the United States of America having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in each such account. Such securities will either be deposited with the Borrower or be held by a trustee or agent satisfactory to the Finance Division, provided that the trust or agency agreement is satisfactory to Counsel for the Government. Provided, however, that at the option of the Finance Division such special account or accounts may be secured by a surety bond or bonds which shall be in form, sufficiency and substance satisfactory to Counsel for the Government.

7. *Disbursement of Funds in Special Accounts.* The Borrower will expend the funds in such special account or accounts only for such purposes as shall have been previously specified in certificates accompanying the requisitions for such funds filed with the Government and approved by Counsel for the Government. Any balance or balances remaining unexpended in such special account or accounts after the completion of the Project and which are not required to meet unpaid obligations incurred in connection with the construction of the Project shall be paid into the Sinking Fund provided for in Paragraph 10, PART ONE, hereof, and, together with the accrued interest aforesaid, shall be used for the payment of the interest on and the principal of the Issue, or said unexpended balance or balances may be used for the purchase of bonds of the Issue then outstanding at a price (exclusive of accrued interest) not exceeding 105 per centum of the principal amount thereof. Any bonds so purchased shall be cancelled and no additional bonds shall be issued in lieu thereof.

8. *Tolls and Fares.* The Borrower will establish such tolls, fares and charges as may be necessary to insure sufficient revenues to meet the expenses of operation and maintenance of the System, and to make provision for the payment of interest on the bonds of the Issue, and the principal thereof on their respective dates of maturity, unless and until provision shall have been made for the payment of said bonds and the interest thereon in full; and in the event said revenues are insufficient for said purpose, the Borrower will make good any deficiency in said revenues out of any other money, property or revenues of the Borrower.

9. *Allocation of Revenues.* The Revenues of the System are pledged and shall be applied to the following uses in the order stated:

- (a) Payment of reasonable expenses of maintenance and operation;
- (b) Payments into the Sinking Fund as provided by Paragraph 10, PART ONE, hereof;
- (c) Payment of interest on the Issue as the same falls due;
- (d) Payments into the Surplus Fund as provided by Paragraph 11, PART ONE, hereof.

All of the bonds of the Issue shall rank *pari passu* regardless of the time or times of their issuance, and shall be entitled to no priority one over the other with respect to the application of the revenues of the System to the extent that said revenues are pledged to the foregoing uses.

In the event that the revenues of the System during any one year exceed the amount necessary for the payments required by this paragraph, then, upon such payments being made, the aforesaid pledge of the revenues of the System shall be and become inoperative and of no effect as to the remaining revenues for the then current year.

10. *Sinking Fund.* The Borrower will establish, and so long as the bonds of the Issue, or any of them, remain outstanding and unpaid, will separately maintain a sinking fund known as the "Delaware River Joint Commission Philadelphia-Camden Bridge Sinking Fund" (herein called the "Sinking Fund"), into which payments shall be made, during each year commencing

September 1st, out of the revenues from the System, or from other sources, including interest on moneys in said Sinking Fund, as follows:

<i>Year Beginning</i>	<i>Amount</i>	<i>Year Beginning</i>	<i>Amount</i>
September 1, 1933	\$200,000	September 1, 1953	1,000,000
1934	200,000	1954	1,000,000
1935	200,000	1955	1,000,000
1936	250,000	1956	1,000,000
1937	250,000	1957	1,500,000
1938	250,000	1958	1,500,000
1939	300,000	1959	1,500,000
1940	350,000	1960	1,500,000
1941	500,000	1961	1,500,000
1942	500,000	1962	1,500,000
1943	600,000	1963	1,500,000
1944	700,000	1964	1,500,000
1945	800,000	1965	1,500,000
1946	900,000	1966	1,500,000
1947	1,000,000	1967	2,000,000
1948	1,000,000	1968	2,000,000
1949	1,000,000	1969	2,000,000
1950	1,000,000	1970	2,000,000
1951	1,000,000	1971	2,000,000
1952	1,000,000	TOTAL.....	\$41,000,000

In addition to the foregoing, in the event that on any September 1, the total cash and securities (taken at market value) in the Sinking Fund shall be less than the difference between the aggregate amount herein provided to be paid into said Sinking Fund during the preceding years and the aggregate payments theretofore properly made from the Sinking Fund on account of the principal of bonds of the Issue, the Borrower shall, during the year commencing on such September 1, pay into the Sinking Fund, in addition to the amount hereinabove provided to be paid during such year, an amount equal to such deficiency.

11. *Payments from Sinking Fund.* The Sinking Fund shall be used solely for the payment of the principal of the bonds of the Issue as they mature or are called for redemption, and the interest thereon as it falls due; provided, however, that no interest shall be paid out of the Sinking Fund except to the extent that the revenues of the System for the then current year after payment into the Sinking Fund of the amount required by Paragraph 10, PART ONE hereof, shall be insufficient for the payment of such interest, and then only in case and to the extent, if any, that the Surplus Fund provided for in Paragraph 13, PART ONE hereof, shall be insufficient to make up such deficiency in current revenues.

12. *Investment of Sinking Fund.* The moneys in the Sinking Fund may be invested by the Borrower only in bonds or other obligations of the United States of America, of the Commonwealth of Pennsylvania, of the State of New Jersey, or in bonds of the Issue, at not exceeding the current market prices of such securities, except that bonds of the issue may be redeemed as hereinafter provided.

13. *Surplus Fund.* The Borrower will establish and so long as any bonds of the Issue remain outstanding and unpaid, shall separately maintain a surplus fund known as the "Delaware River Joint Commission Philadelphia-Camden Bridge Surplus Fund". The Borrower covenants to pay into said Surplus Fund in each year an amount equal to 80 per centum of the revenues of the System remaining after providing for the expense of maintenance and operation thereof and after the payment of Sinking Fund and interest charges for such year as herein provided, until the principal amount of bonds of the Issue outstanding less the amount of cash and deposits and the market value of securities held for said Surplus Fund shall be \$20,000,000, or less, from and after which time the Borrower shall not be required to make any further payments into said Fund. Said Surplus Fund including interest earned thereon shall be invested by the Commission solely in bonds or other obligations of the United States, of the Commonwealth of Pennsylvania, of the State of New Jersey, or in bonds of the Issue, provided, however, that not in excess of \$500,000 of said Surplus Fund may be kept on deposit in banks or trust companies in the Commonwealth of Pennsylvania or the State of New Jersey, secured to the full amount of such deposit by bonds or other obligations of the United States, of the Commonwealth of Pennsylvania, of the State of New Jersey, or of the Borrower, or by surety bonds. The Borrower will use and apply said Surplus Fund, including interest earned thereon for the following purposes only:

- (1) In any year in which the revenues of the System remaining after providing for the expense of maintenance and operation thereof, are insufficient in whole or in part for the payment of Sinking Fund and interest charges for such year as herein provided, an amount of said Surplus Fund equal to such deficiency shall be used and applied for the payment of such Sinking Fund and interest charges.

(2) So long as there shall remain in said Surplus Fund an amount, represented by cash or deposits or obligations of the United States taken at their market value, equal to \$2,000,000 or more, the balance of said Surplus Fund or any part thereof may be applied to the redemption of bonds of the Issue in the manner provided herein and in the bonds.

14. *Redemption of Bonds.* The Bonds shall be redeemable at the option of the Borrower on any interest payment date on or after September 1, 1943, at one hundred and five per centum (105%) of their face value and accrued interest to the date fixed for redemption.

15. *Insurance.*

(a) *Insurance Against Loss or Damage.* The Borrower will keep the suspended span of the Delaware River (Philadelphia-Camden) Bridge (the suspended span being hereby defined to mean all that part of said Bridge, and all structures and facilities thereupon, lying and extending between the anchorages thereof) insured in a responsible insurance company or companies against loss and/or damage under an "all risk coverage" policy or policies, which shall provide for the payment to the Borrower of the full amount of any and all loss and/or damage (in excess of \$100,000) to said suspended span up to at least 80 per centum of the insurable value thereof. The proceeds of all such insurance policies shall be applied to the repair or replacement of the damaged property; if such proceeds are more than sufficient for such purpose, the balance remaining shall be paid into the Surplus Fund. If such proceeds shall be insufficient for such purpose, any deficiency may be supplied, first, out of the Surplus Fund and, second, out of any moneys in the Sinking Fund not required to pay bonds of the Issue theretofore called for redemption or to pay interest due on the next two ensuing interest payment dates. If the proceeds of such insurance, together with any amounts available from the Surplus Fund and/or from the Sinking Fund are insufficient for the full payment of the cost of such repair or replacement, and if the Borrower shall fail to supply such deficiency from other sources, then such proceeds and all revenues and other moneys in the Sinking Fund and Surplus Fund, and any other revenues and moneys held by the Borrower in trust for the Issue and not irrevocably allocated for some other purpose, shall be applied to the *pro rata* payment of the principal of and accrued interest on all outstanding bonds of the Issue unless the Government, being the holder of any of the bonds, shall otherwise direct or approve.

(b) *Use and Occupancy Insurance.* In consideration of the agreement of the Government to purchase the Bonds at a price in excess of the principal amount thereof plus accrued interest, the Borrower will keep the Delaware River (Philadelphia-Camden) Bridge and its approaches at all times insured for the benefit of the holders of all outstanding Bonds (said Bonds to be specified in the policies of such insurance by the numbers thereof) in a responsible insurance company or companies against loss, total or partial, of the use and occupancy thereof over a period of one year or any lesser period (commencing on the first day of such loss or within 14 days thereafter), in such amount as will provide for payment in the case of total loss for one year (and a proportionate payment for partial loss and/or for a lesser period), of not less than the sum of

(1) Twenty-seven per centum of the amount required by Paragraph 10, PART ONE hereof, to be paid into the Sinking Fund during the twelve months' period commencing on the 1st day of September next following the date of loss, and

(2) One hundred ten per centum of the amount of interest on the Bonds to become due on the first and second interest dates next following the date of loss.

The policy or policies of such insurance shall be made payable to, and shall be delivered to, the Government or its nominee, and any proceeds of such policy or policies paid to the Government shall be held by the Government (or such nominee) for the benefit of the holders of all of the Bonds; provided that the Government may at any time in its discretion, upon notice to the Borrower, appoint a trust company in the City of Philadelphia, Pennsylvania or in the Borough of Manhattan, City and State of New York, as trustees to hold such policy or policies and to collect and receive the proceeds thereof for the benefit of the holders of the Bonds, and in such case such trustee shall be substituted for the Government as the beneficiary of such policy or policies and renewals thereof shall thereafter be made payable to and be delivered to said trustee. Said policy or policies shall permit no substitution of beneficiaries other than to a corporate trustee appointed by the Government hereunder. The proceeds of said use and occupancy insurance shall be applied by the Government or by such trustee as received, first, to the payment of all installments of interest on the Bonds then due and unpaid, second, to the payment of the principal of all Bonds then matured and unpaid and, third, to subsequent payments of interest and principal as the same fall due; all such payments to be made *pro rata* among the holders of all outstanding Bonds. The payment and application of the proceeds of such insurance as above provided shall not be deemed to be a discharge of the obligation of the Borrower to continue to pay interest on and principal of the Bonds as the same become due (except to the extent that such interest and principal shall have been paid from such insurance proceeds) and shall not affect the right of the holders of the Bonds thereafter to share in the revenues of the System equally with the remaining bonds of the issue (in the same proportion as if such insurance proceeds had not been applied to the payment of such principal and in-

terest) until all the Bonds are retired. All Bonds and coupons retired from the proceeds of such insurance shall be delivered to the Borrower for cancellation.

(c) *Cost of Insurance.* All premiums and costs of the insurance required by this Paragraph shall be paid by the Borrower. The necessary cost of said "all risk coverage" insurance shall be considered a reasonable expense of maintenance and operation of the System and may be paid out of the revenues of the System pledged to such use as provided by Paragraph 9, PART ONE hereof. The cost of said use and occupancy insurance shall not be considered an expense of maintenance and operation, and shall in no event be paid out of current revenues of the System until the payments from such revenues required by Paragraph 9, PART ONE hereof shall have been made in full. After making the payments required by Paragraph 9, PART ONE hereof the Borrower will apply the remainder of the revenues of the System during each fiscal year, to the extent necessary, to the payment of the cost of said use and occupancy insurance, and such remainder of the revenues of the System is hereby pledged to such use.

In the event that the revenues of the system during any fiscal year are insufficient, after making the payments required by Paragraph 9, PART ONE hereof, for the payment of the cost of said use and occupancy insurance, the cost of such insurance (or any balance thereof) shall be paid by the Borrower out of its general funds.

PART TWO

1. *Approval of Agreement.* Within a reasonable time after the receipt of the Agreement, the Borrower shall adopt a resolution setting forth the Agreement in full, approving the same, and authorizing and directing the execution thereof by the official or officials designated to sign the same on the Borrower's behalf. Promptly thereupon, the Borrower shall cause such official or officials to sign the Agreement.

2. *Preliminary Proceedings by Borrower.* When the Agreement has been signed on behalf of the Borrower, the Borrower shall promptly:

- (a) Send to the Government three signed counter-parts of the Agreement and two certified copies of the resolution adopted by the Borrower pursuant to Paragraph 1, PART TWO, hereof, together with two certified extracts of the minutes pertaining to its adoption and any papers, certificates and other documents which may be requested by Counsel for the Government;
- (b) Retain municipal bond counsel satisfactory to the Finance Division to assist the Borrower in the proceedings relative to the authorization, issuance and sale of the Bonds, and to give such legal opinions relative thereto as may be requested by Counsel for the Government;
- (c) Submit to the Government plans, drawings, and specifications of the work and materials to be employed upon the Project; the latest data as to the expected cost of the Project; a statement as to when and how it is proposed to advertise for bids and to let contracts for the work; a statement as to when and how it is proposed to acquire the necessary lands, easements, franchises, and rights-of-way; an estimate as to the amount of money that will be needed at the time of the sale of the Bonds; and any other details or data that may be requested by the Engineering Division;
- (d) Submit to the Government all such authorizations, permits, licenses and approvals from Federal, State, County, municipal and other authorities as Counsel for the Government may deem advisable then to be obtained in connection with the Project or the Bonds;
- (e) Take all the proceedings necessary for the authorization and issuance of the Bonds.

3. *First Bond Requisition.* As soon as the provisions of Paragraph 2, PART TWO, hereof, shall have complied with to the satisfaction of Counsel for the Government, the Borrower will file with the Government a requisition requesting the Government to purchase such amount of the Bonds as, together with Other Funds, will provide sufficient funds for the construction of the Project for a reasonable period (or, in the discretion of the Finance Division, a requisition to purchase the entire amount thereof at one time), specifying the principal amount, serial numbers and maturities (which maturities shall be satisfactory to the Finance Division) of the Bonds of such block and the date when it is desired to complete the delivery thereof (which date shall be not earlier than ten days after the Government's receipt of such first Bond requisition, unless otherwise satisfactory to Counsel for the Government), the first Bond requisition to be accompanied by a complete transcript of all bond proceedings to date, together with such certificates, forms, opinions, letters, statements and other documents as may be requested by Counsel for the Government.

4. *First Bond Purchase.* If the first Bond requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of the first Bond Requisition, the Government will arrange to purchase such amount of the Bonds, as, together with Other Funds, will provide, in the judgment of the Engineering Division, sufficient funds for the construction of the Project for a reasonable period, or, in the judgment of the Finance

Division, the entire amount of the Bonds, payment for the first block of Bonds to be made at the Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania (herein called the "Reserve Bank"), or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of such Bonds, (having all unmatured coupons attached), together with such documents as may be requested by and which shall be in form, sufficiency and substance as theretofore approved by Counsel for the Government.

5. *Subsequent Bond Requisitions.* Unless all of the Bonds shall have been previously purchased, from time to time after the first Bond payment, but not oftener than once a month, (unless otherwise satisfactory to the Engineering Division), the Borrower will file a requisition with the Government requesting the Government to purchase an additional block of the Bonds of such amount, as, together with Other Funds, and such portion, if any, of the Grant, requested simultaneously with such Bond requisition, will provide sufficient funds for the construction of the Project for a reasonable period, specifying the principal amount, serial numbers and maturities, (which maturities shall be satisfactory to the Finance Division), of the Bonds included in such block and the date when it is desired to complete the delivery thereof, (which date shall be not earlier than ten days after the Government's receipt of such Bond requisition, unless otherwise satisfactory to Counsel for the Government), each Bond requisition to be accompanied by such documents as may be requested by Counsel for the Government.

6. *Subsequent Bond Purchases.* If a Bond requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of such Bond requisition, the Government will arrange to purchase such additional amount of the Bonds as, together with Other Funds, and such portion, if any, of the Grant, paid simultaneously with the payment for such amount of the Bonds, will provide, in the judgment of the Engineering Division, sufficient funds for the construction of the Project for a reasonable period, payment for each block of Bonds to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery of such block of Bonds, (having all unmatured coupons attached), together with such documents as may be requested by and which shall be in form, sufficiency and substance as theretofore approved by Counsel for the Government.

7. *Grant Requisitions.* The Borrower may at any time after the execution of this Agreement but not oftener than once a week, file a requisition requesting the Government to make a payment to the Borrower on account of the Grant, each Grant requisition to be accompanied by such documents as may be requested by Counsel for the Government.

8. *Grant Payments.* If a Grant requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of such Grant requisition (but not earlier than ten days after the receipt thereof, unless otherwise satisfactory to Counsel for the Government), the Government will pay to the Borrower a sum of money, which, together with all previous Grant payments, and Other Funds, shall be equal in aggregate amount to 25 per centum of the cost of the labor and materials shown to have been employed upon the Project to a date not later than the date of such Grant requisition; provided, however, that such Grant payment, together with all previous Grant payments, Other Funds, and the amount (exclusive of accrued interest) paid for the Bonds shall not exceed in aggregate amount the total cost of the Project, nor shall such aggregate amount exceed \$11,900,000; each Grant payment to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of its receipt therefor. Wherever the expression "cost of labor and materials" is used in this Agreement, such expression shall mean such cost as determined by the Federal Emergency Administrator of Public Works (herein called the "Administrator"). The Administrator's determination of such cost shall be final.

9. *Final Grant Requisition.* Within a reasonable time after the Project has been completed and all costs incurred in connection therewith have been determined, the Borrower may file a requisition with the Government requesting the Government for the final portion of the Grant, the final Grant requisition to be accompanied by such documents as may be requested by Counsel for the Government.

10. *Final Grant Payment.* If the final Grant requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of the final Grant requisition (but not earlier than ten days after the receipt thereof, unless otherwise satisfactory to Counsel for the Government), the Government will pay to the Borrower a sum of money, which, together with all previous Grant payments, and Other Funds, shall be equal in aggregate amount to 30 per centum of the cost (as approved by the Engineering Division) of the labor and materials employed upon the Project; provided, however, that

the final Grant payment, together with all previous Grant payments, Other Funds, and the amount (exclusive of accrued interest) paid for the Bonds shall not exceed in aggregate amount the total cost of the Project, nor shall such aggregate amount exceed \$11,900,000; the final Grant payment to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of its receipt therefor and exhibition to the Government of all Bonds unsold, cancelled as required herein, for recording.

11. *Cancellation of Bonds.* If the Borrower, within a reasonable time after the completion of the Project, shall have filed the final Grant requisition with the Government, and if the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, in addition to the Grant payments made pursuant to Paragraphs 8 and 10, PART TWO hereof, the Government will cancel, in so far as possible and in such order as may be satisfactory to the Finance Division, Bonds and/or coupons of an aggregate value equal to the amount, if any, by which 30 per centum of the cost of the labor and materials employed upon the Project exceeds the aggregate of all such Grant payments and Other Funds; and for such reasonable time and to this end, the Government will hold Bonds in the amount necessary to effectuate the purpose and intent of this Paragraph, unless payment of such excess shall have been otherwise provided for by the Government. The "value" of any Bond cancelled pursuant to the provisions of this Paragraph shall be deemed to be the sum which, if paid for such Bond on the date of cancellation, would yield 4 per centum per annum to maturity, plus accrued interest to date of cancellation.

PART THREE

CONSTRUCTION CONTRACTS

IN CONSIDERATION OF THE GRANT, THE BORROWER CONVENANTS THAT:

1. *Construction Contracts.* All construction contracts made by the Borrower and all subcontracts for work on the Project shall be subject to the rules and regulations adopted by the Government to carry out the purposes and control the administration of the Act, and shall contain provisions appropriate to insure that:

- (a) *Convict Labor.* No convict labor shall be employed on the Project, and no materials manufactured or produced by convict labor shall be used on the Project.
- (b) *30-Hour Week.* Except in executive, administrative and supervisory positions, so far as practicable and feasible in the judgment of the Government, no individual directly employed on the Project shall be permitted to work more than thirty hours in any one week, or, except in cases of emergency, on any Sundays or legal holidays; but in accordance with rules and regulations from time to time made by the Government, this provision shall be construed to permit working time lost because of inclement weather or unavoidable delays in any one week to be made up in the succeeding twenty days.
- (c) *Wages.*
 - (1) All employees shall be paid just and reasonable wages which shall be compensation sufficient to provide, for the hours of labor as limited, a standard of living in decency and comfort;
 - (2) All contracts and subcontracts shall further prescribe such minimum wage rates for skilled and unskilled labor as may be determined by the Government and shall be subject to all rules and regulations which the Government may promulgate in connection therewith. Such minimum rates, if any, shall also be stated in all proposals of bids submitted including those of subcontractors; and a clearly legible statement of all wage rates to be paid the several classes of labor employed on the work shall be posted in a prominent and easily accessible place at the site of the work. All contractors shall keep a true and accurate record of the hours worked by and the wages paid to each employee and shall furnish the Government with sworn statements thereof on demand.
 - (3) All employees shall be paid in full not less often than once each week and in lawful money of the United States of America in the full amount accrued to each individual at the time of closing of the pay roll, which shall be at the latest date practicable prior to the date of payment, and there shall be no deductions on account of goods purchased, rent, or other obligations, but such obligations shall be subject to collection only by legal process.
- (d) *Labor Preferences.* Preference shall be given, where they are qualified, to ex-service men with dependents, and then in the following order:
 - (1) To citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the City of Philadelphia, Pennsylvania and/or the County of Philadelphia, Pennsylvania, or of the City of Camden, New Jersey and/or the County of Camden, New Jersey, and,

(2) To citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the Commonwealth of Pennsylvania or of the State of New Jersey provided, that those preferences shall apply only where such labor is available and qualified to perform the work to which the employment relates.

- (e) **Employment Services.** To the fullest extent possible, labor required for the Project and appropriate to be secured through employment services, shall be chosen from lists of qualified workers submitted by local employment agencies designated by the United States Employment Services, provided however, that organized labor, skilled and unskilled, shall not be required to register at such local employment agencies but shall be secured in the customary ways through recognized union locals. In the event, however, that qualified workers are not furnished by the union locals within 48 hours (Sundays and holidays excluded) after request is filed by the employer, such labor may be chosen from lists of qualified workers submitted by local employment agencies designated by the United States Employment Service. In the selection of workers from lists prepared by such employment agencies and union locals, the labor preferences provided in Sub-Paragraph (d) *supra*, shall be observed in accordance with such rules and regulations as the Government may prescribe.
- (f) **Human Labor.** In accordance with such rules and regulations as the Government may prescribe, the maximum of human labor shall be used in lieu of machinery wherever practicable and consistent with sound economy and public advantage; and to the extent that the work may be accomplished at no greater expense by human labor than by the use of machinery, and labor of requisite qualifications is available, such human labor shall be employed.
- (g) **Accident Prevention.** Every construction contract for work on the Project shall contain an undertaking to comply with all applicable provisions of the laws and building and construction codes of the State, Territory, District and/or municipality in which the work is done and with any regulations for the protection of workers which may be promulgated by the Government.
- (h) **Compensation Insurance.** Every construction contract for work on the Project shall contain a provision requiring the employer to furnish compensation insurance for injured workers and to give proof of such adequate insurance satisfactory to the Government.
- (i) **Persons Entitled to Benefits of Labor Provisions.** Every person who performs the work of a laborer or of a mechanic on the Project, or any part thereof, shall be entitled to the benefits of the labor and wage provisions hereof, regardless of any contractual relationship between the contractor or subcontractor and such laborer or mechanic. There shall be no discrimination in the selection of labor on the ground of race, creed or color.
- (j) **Bonding of Contracts.** Construction contracts shall be supported by adequate surety or other bonds or security satisfactory to the Government for the protection of labor and material men employed on the Project or any part thereof.
- (k) **Materials.** So far as articles, materials, and supplies produced in the United States are concerned, only articles, materials and supplies produced under codes of fair competition adopted pursuant to the provisions of Title 1 of the Act, or under the President's Reemployment Agreement, shall be used in work on the Project, except when the Government determines that this requirement is not in the public interest or that the consequent cost is unreasonable. So far as feasible and practicable, and subject to the above, preference shall be given to the use of locally produced materials if such use does not involve higher cost, inferior quality or insufficient quantity, subject to the determination of the Government; but there shall be no requirement providing price differentiations for or restricting the use of materials to those produced within the Nation or State.
 - (1) **Inspection and Records.** The Government, through its authorized agents shall have the right to inspect all work as it progresses and shall have access to all pay rolls, records of personnel, invoices of materials, and other data relevant to the performance of the contract.
- (m) **Reports.** Subject to such rules and regulations as the Government may prescribe, contractors and subcontractors shall make reports in triplicate to the Government monthly within five days after the close of each calendar month on forms to be furnished by the United States Department of Labor, which reports shall include the number of persons on their pay rolls, the aggregate amount of the pay rolls, the man hours worked, wage scales paid to various classes of labor and the total expenditures for materials. The contractors shall also furnish to the Government the names and addresses of all subcontractors at the earliest date practicable.

(n) Compliance with Title 1 of the Act. All contractors and subcontractors must comply with the conditions prescribed in Sections 7 (a) (1) and 7 (a) (2) of Title 1 of the Act.

2. *Restriction as to Contractors.* No contract shall be let to any contractor or subcontractor who has not signed and complied with the applicable approved code of fair competition adopted under Title 1 of the Act for the trade or industry or subdivision thereof concerned, or, if there be no such approved code, who has not signed and complied with the provisions of the President's Reemployment Agreement.

3. *Termination for Breach.* The Borrower will enforce compliance with all the provisions of this part of this Agreement, and, as to any work done by it in connection with the construction of the Project, will itself comply therewith. All construction contracts shall provide that if any such provisions are violated by any contractor or subcontractor, the Borrower may, with the approval of the Government, and shall at the request of the Government, terminate by written notice to the contractor or subcontractor the contract of such contractor or subcontractor, and have the right to take over the work and prosecute the same to completion by contract or otherwise and such contractor or subcontractor and his sureties shall be liable for any excess cost occasioned thereby and/or, if so requested by the Government, the Borrower shall withhold from such contractor or subcontractor so much of the compensation due to him as may be necessary to pay to laborers or mechanics the difference between the rate of wages required by the contract and the rate of wages actually paid to the laborers and mechanics.

4. *Force Labor.* Provided, however, that if prices in the bids are excessive, the Borrower reserves the right, anything in this Agreement to the contrary notwithstanding, to apply to the Government for permission to do all or any part of the Project by day labor, upon such conditions as the Government may impose, with the understanding that all provisions in this Agreement, including those relating to labor, wages, hours and recruitment, shall be observed.

PART FOUR

MISCELLANEOUS PROVISIONS

1. *Construction of Project.* Upon receiving payment for the first block of Bonds, the Borrower will promptly commence or cause to be commenced the construction of the Project and the Borrower will thereafter continue such construction or cause it to be continued to completion with all practicable dispatch, in an efficient and economical manner, at a reasonable cost, and in accordance with the provisions of this Agreement as to the labor and materials to be employed upon the Project, and the plans, drawings, specifications and construction contracts which, except for sub-contracts, shall be in form satisfactory to the Engineering Division, and in accordance with such engineering supervision and inspection as the Government or its representatives, may require. Except with the prior written consent of Counsel for the Government, no materials or equipment for the Project shall be purchased by the Borrower subject to any chattel mortgage or any conditional sale or title retention agreement.

2. *Completion of Project.* Upon the completion of the Project the Borrower will furnish to the Government a certificate of the Borrower's engineers, certifying to such completion, to the total cost of the Project and to such other matters as the Engineering Division may request, such certificate to be accompanied by such data as the Engineering Division may request.

3. *Maintenance and Operation.* The Borrower will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. The Borrower will fully perform all duties with reference to the System required by the Constitutions and Statutes of the Commonwealth of Pennsylvania and of the State of New Jersey, and by the Acts of Congress of the United States.

4. *Mortgages, Liens, Sale, etc.* So long as any of the Bonds are outstanding, the Borrower will not sell, alienate, mortgage, pledge or otherwise encumber, or divest itself of control of the System or any part or facility thereof or any revenues therefrom; provided, however, that nothing herein shall be construed to prevent the Borrower from making contracts or leases for the use of the System, or any part thereof.

5. *Accounts and Periodic Statements.* The Borrower will keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the System. The Borrower will furnish to the Government so long as it holds any of the Bonds (and to any holder or purchaser of 25 per centum in aggregate principal amount of Bonds at the time outstanding, at the written request of such holder or purchaser), not more than thirty days after the close of each six months fiscal period, complete operating and income statements of the System in reasonable detail covering such six months' period, and, not more than sixty days after the close of each fiscal year, complete financial statements of the System and the Borrower covering such fiscal year, certified by independent auditors.

6. *Inspection.* The holders of the Bonds shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Borrower relating thereto.

7. *Information.* During the construction of the Project the Borrower will furnish to the Government all such information and data as the Engineering Division may request as to the construction, cost and progress of the work.

8. *Conditions Precedent to the Government's Obligations.* The Government shall be under no obligation to pay for any of the Bonds or to make any Grant:

(a) *Cost of Project.* If the Engineering Division shall not be satisfied that the Borrower will be able to construct the Project within the cost estimated at the time when the Application was approved by the Government, such estimated cost being the amount of \$11,900,000, unless, in the event that additional funds appear to the Engineering Division to be necessary in order to pay in full the cost of the construction of the Project, the Finance Division shall be satisfied that the Borrower will be able to obtain such funds, as needed, through additional borrowing or otherwise, in a manner satisfactory to Counsel for the Government;

(b) *Compliance.* If the Borrower shall not have complied, to the satisfaction of Counsel for the Government, with all the provisions contained or referred to in this Agreement and in the proceedings authorizing the issuance of the Bonds, theretofore to be complied with by the Borrower;

(c) *Legal Matters.* If Counsel for the Government shall not be satisfied as to all legal matters and proceedings affecting the Bonds, the security therefor or the Project;

(d) *Representations.* If any representation made by the Borrower in this Agreement or in the Application or in any supplement thereto or amendment thereof, or in any document submitted to the Government by the Borrower shall be found by Counsel for the Government to be incorrect or incomplete in any material respect;

(e) *Financial Condition.* If, in the judgment of the Finance Division, the financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government.

9. *Representations and Warranties.* The Borrower represents and warrants as follows:

(a) *Authorizations.* All necessary authorizations, permits, licenses and approvals from Federal, State, county, municipal and other authorities in connection with the Project or the Bonds have been or will be obtained;

(b) *Litigation.* No litigation or other proceedings are now pending or threatened which might adversely affect the Bonds, the construction and operation of the Project, or the financial condition of the Borrower;

(c) *Financial Condition.* The character of the assets and the financial condition of the Borrower are as favorable as at the date of the Borrower's most recent financial statement, furnished to the Government as a part of the Application, and there have been no changes in the character of its assets or in its financial condition except such changes as necessary and incidental to the ordinary and usual conduct of the Borrower's affairs;

(d) *Fees and Commissions.* No fee or commission has been or will be paid by the Borrower or any of its officers, employees, agents or representatives, and no agreement to pay a fee or commission has been or will be entered into by or on behalf of the Borrower, or any of its officers, employees, agents or representatives, in order to secure the loan and/or Grant hereunder;

(e) *Affirmation.* Every statement contained in this Agreement, in the Borrower's Application, and in any supplement thereto or amendment thereof, and in any other document submitted or to be submitted to the Government by or on behalf of the Borrower is, or when so submitted will be, correct and complete and no relevant fact materially affecting the Bonds, the Grant, the Project, the System or the obligations of the Borrower under this Agreement has been or will be omitted therefrom.

10. *Use of Government's Name.* Without the prior written consent of the Government, the Borrower will not refer to this Agreement or to any purchase by the Government of the Bonds as an inducement for the purchase of any securities (including Bonds repurchased from the Government) of the Borrower, and will not permit any purchaser from it of any such securities to do so.

11. *Sale of Bonds by the Government.* The Borrower will take all such steps as the Government may reasonably request to aid in the sale by the Government of any or all of the Bonds. Upon request, the Borrower will furnish to the Government or to any purchaser from the Government of 25 per centum of the Bonds, information for the preparation of a bond circular in customary form, signed by the proper official of the Borrower, containing such data as the Government or such purchaser may reasonably request concerning the Borrower and the Project and the System.

12. *Expenses.* The Government shall be under no obligation to pay any costs, charges or expenses incident to compliance with any of the duties or obligations of the Borrower under this Agreement including, without limiting the generality of the foregoing, the cost of preparing, executing or delivering the Bonds or obtaining any legal opinions requested by Counsel for the Government.

13. *Supplemental Documents.* The Borrower will furnish to the Government such supplemental documents as Counsel for the Government may request in connection with the Bonds, the Grant, the Project, the System or the obligations of the Borrower under this Agreement.

14. *Waiver.* Any provision of this Agreement may be waived or amended with the consent of the Borrower and the written approval of the Engineering Division, Finance Division, and Counsel for the Government, without the execution of a new or supplemental agreement, if, in the opinion of Counsel for the Government, which shall be conclusive, such waiver or amendment does not substantially vary the terms of this Agreement. No waiver by the Government of any such provision shall constitute a waiver thereof as applied to any subsequent obligation of the Borrower or the Government under this Agreement.

15. *Agreement Not for the Benefit of Third Parties.* This Agreement is not for the benefit of any person or corporation other than the parties hereto, their respective assigns or the successors of the Borrower, and neither the holders of the Bonds nor any other person or corporation, except the parties hereto, their respective assigns or the successors of the Borrower, shall have any rights or interest in or under this Agreement, except as expressly provided for herein.

16. *Interest of Member of Congress.* No member of or delegate to the Congress of the United States of America shall be admitted to any share or part of this Agreement, or to any benefit to arise thereupon.

17. *Validation.* The Borrower hereby covenants that it will institute, prosecute and carry to completion insofar as it may be within the power of the Borrower, any and all acts and things to be performed or done to secure the enactment of legislation or to accomplish such other proceedings, judicial or otherwise, as may be necessary, appropriate or advisable to empower the Borrower to issue the Bonds and to remedy any defects, illegalities and irregularities in the proceedings of the Borrower relative to the issuance of the Bonds and to validate the same after the issuance thereof to the Government, if in the judgment of Counsel for the Government such action may be deemed necessary, appropriate or advisable. The Borrower further covenants that it will procure and furnish to the Government, as a condition precedent to the Government's obligations hereunder, letters from the Governors of the Commonwealth of Pennsylvania and the State of New Jersey in form satisfactory to Counsel for the Government expressing the covenant and agreement of said Governors respectively, to effectuate insofar as it is within their power the covenant of the Borrower as hereinabove in this Paragraph expressed.

18. *Miscellaneous.* This Agreement shall be binding upon the parties hereto when a copy thereof, duly executed by the Borrower and the Government, shall have been received by the Borrower. This Agreement shall be governed by and be construed in accordance with the laws of the District of Columbia. All obligations of the Borrower hereunder shall cease upon payment in full of all the Bonds.

19. *Promotion of National Recovery.* The Borrower covenants to discharge faithfully and with all possible dispatch the duties and obligations imposed upon it by this Agreement, it being the purpose of this Agreement to enable the Borrower to secure the benefits of the Act, foster employment, promote the public welfare and thereby assist in the recovery program of the President of the United States.

20. *Rescission of Prior Agreements.* The Loan Agreement between the Borrower and the Government executed on behalf of both parties as of February 8, 1934, and the proposed Supplemental Agreement between the Borrower and the Government executed on behalf of the Borrower on April 13, 1934, are hereby rescinded and cancelled in their entirety.

21. *Undue Delay by the Borrower.* The Government shall have the right to rescind the allotment for the Project and annul any obligation to make a loan or a grant to the Borrower unless the Borrower shall within a reasonable time:

- (a) Sign and return to the Government three counter-parts of this Agreement as provided in Paragraphs 1 and 2, PART TWO, hereof. (For the purposes of this sub-paragraph 21 (a) a reasonable time shall be deemed to be ten days in the ordinary course of events or such longer period as shall be allowed in the absolute discretion of The Federal Emergency Administrator of Public Works);
- (b) Comply with all the provisions of Paragraph 2, PART TWO, hereof, including particularly sub-paragraph (e) relating to the authorization and issuance of the Bonds;
- (c) File requisitions with the Government in accordance with the provisions of Paragraphs 3 and 5, PART TWO, hereof; and
- (d) Commence or cause to be commenced the construction of the Project.

The Administrator shall determine in his absolute discretion what constitutes a reasonable time within the meaning of this Paragraph 21.

22. *Construction of Agreement.* If any provision of this Agreement shall be invalid in whole or in part, to the extent that it is not invalid it shall be valid and effective and no such invalidity shall affect, in whole or in part, the validity and effectiveness of any other provision of this Agreement or the rights or obligations of the parties hereto, provided, in the opinion of Counsel for the Government, the Agreement does not then violate the terms of the Act.

IN WITNESS WHEREOF, the DELAWARE RIVER JOINT COMMISSION and the UNITED STATES OF AMERICA have respectively caused this Agreement to be duly executed as of the day and year first above written.

THE DELAWARE RIVER JOINT COMMISSION

By JOHN B. KATES, *Vice-Chairman*

Attest: JOSEPH K. COSTELLO, *Secretary*

(SEAL)

UNITED STATES OF AMERICA

By HAROLD L. ICKES,

Federal Emergency Administrator of Public Works

