

PIONEER, INC., TACOMA—156783

its "General First Mortgage"), covering, as in said mortgage described, its lines of railroad and telegraph, and certain lands granted to it by Congress and rights under such grants, and all rolling stock and other property acquired for use in connection with its said railroad, and all its franchises, made to secure an issue of its Railroad and Land Grant General First Mortgage Sinking Fund Six Per Cent. Gold Bonds (hereinafter called "General First Mortgage bonds") to be issued at the rate of \$25,000 per mile of its main line of railroad and Cascade branch, under which mortgage bonds to the aggregate amount of \$16,142,000 of principal are now outstanding besides and in addition to (1) \$24,590,000 of said bonds received by the Railway Company as aforesaid from said firm of J. P. Morgan & Co., acting as such Reorganization Managers, and by the Railway Company delivered to and pledged with the Trustee hereunder, and (2) bonds now held in, or called in for redemption for, the Sinking Fund in said mortgage provided:

And Whereas, the railway and property of the St. Paul and Northern Pacific Railway Company has been conveyed or forthwith will be conveyed to the Railway Company, subject (1) to a certain mortgage dated May 1st, 1877, executed by the Western Railroad Company of Minnesota to Charlemagne Tower and J. Fraley Smith, as Trustees, to secure an issue of \$500,000 of its bonds, under which mortgage there are now outstanding bonds to the aggregate amount of \$420,000 and (2) to a certain other mortgage dated June 1st, 1883, executed by said St. Paul and Northern Pacific Railway Company to Central Trust Company of New York, as Trustee, to secure an issue of \$10,000,000 of its bonds, under which mortgage there are now outstanding bonds to the aggregate amount of \$8,003,000.

And Whereas, at a meeting of the Board of Directors of the Railway Company, held at its office in the City of New York on the 26th day of October, in the year eighteen hundred and ninety-six, the draft of a mortgage or deed of trust in the form of this indenture was submitted and read, and a resolution in the following words was duly and unanimously adopted, viz.:

Resolved, That the Chairman of the Board, or the President, and the Secretary, or any Assistant Secretary, of the Northern Pacific Railway Company be, and they are hereby, authorized and directed, when approved by the stockholders, to execute, acknowledge and deliver, in behalf of this company and under its corporate seal, to The Mercantile Trust Company, a corporation of the State of New York, as Trustee, a mortgage or deed of trust, substantially in the form of the draft thereof now submitted to this Board, of the property and franchises of this corporation, to be known as its "Prior Lien Mortgage," to secure an issue of bonds to be called "Prior Lien Railway and Land Grant Gold Bonds," the aggregate amount of which bonds at any time outstanding shall not exceed \$130,000,000; the principal of such bonds to be payable in gold coin of the United States of America, of the present standard of weight and fineness, at the office or agency of this Company in the City of New York, on the first day of January, 1997, with interest thereon from the first day of January, 1897, at the rate of four per cent. per annum, payable in like gold coin, quarterly, at the said office or agency on the first days of January, April, July and October in each year; both the principal and interest of said bonds to be payable without deduction for any tax or taxes imposed by the United States, or any State or Municipality thereof, which this Company may be required to pay or to retain therefrom under any present or future law; such bonds to be coupon bonds, with provision for registration as to principal, and registered bonds without coupons, and to be issued and disposed of, on the terms and conditions, and for the purposes and in the manner set forth in said form of mortgage.

And Whereas, the bonds, to be secured by this indenture shall be coupon bonds of the