

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY, S. F. Y. CO., 187997

delivered to the Trustee certified copy of a resolution duly adopted by the Board of Directors, or the Executive Committee of the Board of Directors, of the Railway Company, (1) setting forth (a) the aggregate amount of bonds issued hereunder at the time outstanding, (b) the then amount of prior debt of the Railway Company as defined in Section 1 of Article One hereof, (c) the amount of bonds then reserved to retire such prior debt, and (d) the amount of fully paid capital stock of the Railway Company then outstanding; and (2) calling for the authentication and delivery of a certain amount of bonds, specifying the issue, the section or sections of Article Three of this indenture under which the same are to be issued, the series, date of maturity, denominations, rate of interest, tax exemption, if any, conversion privilege and terms thereof, if convertible, terms and date of optional redemption, if redeemable, and, if a new series, the form of the bonds the authentication of which is requested, and the bonds authenticated shall conform to such specifications.

Except in exchange for like principal amounts at the time outstanding under this indenture, the Trustee shall not in any case authenticate any bond hereunder unless there shall have been filed with it (1) an opinion of counsel (who may be of counsel for the Railway Company) to the effect that except as therein shall be specified no authorization of the issue of such bonds at the time is required by law to be given by any public service commission, railroad commission or other governmental body, and (2) copy, authenticated in such manner as may be satisfactory to the Trustee, of any order or certificate specified in such opinion authorizing such issue of bonds and made or given by any governmental body so specified.

ARTICLE THREE. Issue of bonds.

All bonds to be issued hereunder shall be issued by the Railway Company and authenticated and delivered by the Trustee as in this indenture provided to the amount and for one or more of the purposes specified in this Article.

Section 1. \$166,984,000 face amount of bonds issuable hereunder shall be and hereby are reserved for issue from time to time for the purpose of exchanging, redeeming, purchasing, retiring, refunding or paying before, at or after maturity the following bonds (constituting prior debt) of the Railway Company, the Railway Company having assumed and agreed to pay the bonds in paragraphs (b) to (i) inclusive:

(a) \$59,868,000 First and Refunding Mortgage Gold bonds of the Railway Company, being the same outstanding bonds more particularly described under heading II of the granting clause of this indenture;

(b) \$42,193,000 The Saint Paul, Minneapolis and Manitoba Railway Company Consolidated Mortgage bonds, being the same outstanding bonds more particularly described under heading III of the granting clause of this indenture;

(c) \$10,185,000 The Saint Paul, Minneapolis and Manitoba Railway Company Montana Extension bonds, being the same outstanding bonds more particularly described under heading IV of the granting clause of this indenture;

(d) \$28,384,000 (\$5,854,100 on the basis of 49.5 pence per dollar) The Saint Paul, Minneapolis and Manitoba Railway Company Pacific Extension bonds, being the same outstanding bonds more particularly described under heading V of the granting clause of this indenture;

(e) \$9,700,000 Eastern Railway Company of Minnesota Northern Division bonds, being the same outstanding bonds more particularly described under heading VII of the granting clause of this indenture;

(f) \$2,800,000 Minneapolis Union Railway Company First Mortgage bonds, being the same outstanding bonds more particularly described under heading VIII of the granting