

MORTGAGE RECORD—W  
SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY, S. P. Y. CO., 187097

Section 7 of this Article Three.

(b) The remainder of the bonds issuable under this Section 5 of this Article Three 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 said Northern Pacific-Great Northern Joint 15-Year 6½% Convertible Gold Bonds; provided, however, that until after a date not earlier than twelve months prior to the maturity (by lapse of time or otherwise) of said last mentioned bonds, not more than \$115,000,000 principal amount of said bonds shall be so exchanged, redeemed, purchased, retired, refunded or paid by the use of bonds issued under this indenture or the proceeds thereof.

Whenever from time to time the Railway Company shall tender or cause to be tendered to, and shall deposit or cause to be deposited with, the Trustee, either in bearer form, or accompanied by proper instruments of assignment and transfer, and whether before, at or after the maturity thereof, and whether cancelled or uncanceled, any of said Northern Pacific-Great Northern Joint 15-Year 6½% Convertible Gold Bonds (together with all unmatured coupons, if any, thereto belonging), and shall have complied with the requirements of Section 9 of Article Two of this indenture, the Trustee, in exchange for bonds received by the Trustee upon such tender, shall authenticate and deliver to the Railway Company, or upon its written order, bonds reserved as provided in this paragraph (b) of this Section 5 of this Article Three, for a principal amount equal to the principal amount of such bonds so received by the Trustee.

At any time or times at or after the maturity, or within twelve months before such maturity, of said Northern Pacific-Great Northern Joint 15-Year 6½% Convertible Gold Bonds, the Railway Company may sell or otherwise dispose of the bonds reserved under this paragraph (b) of this Section 5 of this Article Three in respect of such matured or maturing bonds. The Trustee shall authenticate and deliver to the Railway Company, or upon its written order, bonds reserved under this paragraph (b) of this Section 5 of this Article Three, for a principal amount not exceeding the principal amount of the matured or maturing bonds to be paid or purchased, as aforesaid, upon the deposit with the Trustee of cash in exchange for such bonds equal to the principal amount of the bonds so authenticated and delivered. Upon delivery to the Trustee of a duly certified copy of a resolution of the Board of Directors, or the Executive Committee of the Board of Directors of the Railway Company, requesting the Trustee to authenticate and deliver to the Railway Company such reserved bonds to be sold or disposed of for and in respect of the payment or purchase of such matured or maturing bonds, and specifying such bonds to be paid or purchased, and specifying the amount of General Mortgage bonds to be authenticated (the Railway Company having otherwise complied in all respects with Section 9 of Article Two of this indenture), the Trustee shall authenticate and deliver to the Railway Company, or upon its written order, bonds reserved under this paragraph (b) of this Section 5 of this Article Three, for a principal amount so specified not exceeding the principal amount of the matured or maturing bonds to be paid or purchased as aforesaid; provided, that cash equal to the principal amount of the bonds so authenticated and delivered shall simultaneously be deposited with the Trustee in exchange therefor. Upon the written order of the Railway Company, and upon delivery to the Trustee from time to time of maturing or matured bonds specified in the resolution aforesaid (other than bonds in exchange for which the Trustee shall have authenticated and delivered bonds under the last above preceding paragraph of this paragraph (b) of this Section 5 of Article Three), either in bearer form or accompanied by proper instruments of assignment and transfer, either cancelled or uncanceled (together with all unmatured coupons, if any, thereto belonging),