

NORTHERN PACIFIC STOCK AGREEMENT.

-and-

DECLARATION OF TRUST.

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A G R E E M E N T made this            day of  
1905, by and between the Undersigned and such other persons  
as shall, as hereinafter provided, become parties hereto,  
(the Undersigned and such other persons being hereinafter  
called Stockholders), of the first part, and  
hereinafter called the Trustees, of the second part.

W h e r e a s, the Stockholders desire to  
unite their holdings of stock in the Northern Pacific Rail-  
way Company, with a view to larger influence in and with  
respect to the business of said Company, and because they  
believe that the interests of said Company can be better  
protected, and such stock can be dealt with to better  
advantage, with the stock united than separated, and for  
the purpose of acquiring interests in other Railway Com-  
panies, owning connecting, but not competing or parallel,  
lines,

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS  
FOLLOWS:---

F i r s t. The Stockholders agree with each  
other and with said Trustees, to transfer and deliver to or  
for the use of the Trustees the amounts of stock of the  
Northern Pacific Railway Company set opposite their signatures

hereto respectively by delivering to the Trustees or their representative certificates representing said stock, duly endorsed in blank for transfer, the same to be subject to the order of the Trustees, who are hereby authorized at any time and from time to time to cause the stock represented thereby to be transferred on the books of said Railway Company to such person, persons or corporation, as they may select for the purpose, to hold the same for account of the said Trustees; the transfer and delivery of stock by the Stockholders to be made in consideration of the issue and delivery to them respectively of certificates of shares as herein provided and the rights evidenced by such certificates in connection with the provisions of this agreement, it being intended that the stock of said Northern Pacific Railway Company transferred and delivered hereunder shall vest absolutely in the said Trustess, and on account thereof the Stockholders shall have the rights, to be evidenced by such certificates of shares, read in connection with the provisions of this agreement, and no other rights whatever.

S e c o n d:---The Stockholders, as shown by signatures hereto, may from time to time, unless and until the Trustees shall elect to terminate such right, in like manner transfer and deliver to the Trustees further amounts of the stock of said Railway Company, and shall be entitled to receive certificates of shares therefor, and shall be entitled to the same rights and interests as if such further amounts had been added by them respectively to the amounts set opposite their signatures hereto and had been transferred and delivered at the same time, save as to dividends declared in the meantime upon shares issued hereunder.



T h i r d:--- The Trustees may, at any time and from time to time, permit any other persons in like manner to transfer and deliver to them any amounts of stock of said Railway Company, and upon their doing so to become parties to this agreement, to be entitled to like certificates of shares and to the same rights and interests as if they had signed this agreement setting opposite their signatures the amounts of stock so transferred and delivered by them and had so transferred and delivered the same at the same time with the transfers originally made hereunder, save as to dividends declared in the meantime upon shares to be issued hereunder.

F o u r t h:--- The Trustees shall issue, in consideration of the transfer and delivery of stock of the Northern Pacific Railway Company hereunder, certificates for shares expressed to be of the par value of one hundred dollars each, of two classes, preferred and common, carrying rights as hereinafter provided, and no other rights, that is to say, for each share of stock in the Northern Pacific Railway Company transferred and delivered to them they shall issue certificates for one such preferred share and one such common share.

The said preferred shares shall entitle the holders thereof to

The said common shares shall entitle the holders thereof to

F i f t h:--- Said shares of stock shall be transferable only on books kept by the Trustees for the purpose by the legal holders thereof or their attorneys duly authorized, subject to such reasonable regulations as the Trustees may adopt.

S i x t h:--- The Trustees hereby declare and agree that they will hold the stocks transferred to them by the stockholders as aforesaid, as well as all other stocks, securities and property which they may acquire hereunder, together with any income or proceeds thereof, in trust to manage and dispose of the same for the benefit of the holders from time to time of the share certificates issued hereunder, according to the priorities expressed in said certificates, and subject to the stipulations in this agreement set forth, including the following, to wit:--

(1) The Trustees, in their collective capacity, shall be designated as far as practicable as "The Northern Pacific Association", and under that name shall, so far as practicable, conduct all the business and execute all instruments in writing in the performance of their trust.



(2) The Trustees, in whom shall be vested the legal title to all property at any time belonging to this Trust, except as hereinafter specially provided, shall have power:-

To manage and control said property or any part thereof as an absolute owner, subject to the restraints in this agreement provided;

To adopt and use a common seal;

To vote in person or by proxy at any and all meetings of stockholders upon the shares of stock held hereunder, on any and all questions or matters coming before said meetings, including propositions to lease or sell the property of said Northern Pacific Railway Company, or to consolidate said Company with any other Company, or to cause said Company to purchase or to take a lease of the property of any other company, and in case of any merger, consolidation, lease or other arrangement on account of which it shall be desirable to do so, to deliver up said stock to said Northern Pacific Railway Company, or any thereof, in exchange for any other stock or securities or both, in their discretion, holding what may be received in such exchange in lieu of such stock under this agreement;

To collect, receive and receipt for dividends upon any shares of stock held hereunder and for all sums of money at any time coming due to the Trust;

To employ counsel, begin, prosecute, defend and settle suits of any description and to compromise or arbitrate any claims in favor of or against the Trust.

To loan money to any corporation whose capital stock is owned wholly or in part by the Trustees and to subscribe for or acquire additional shares in such corporation or the securities or obligations thereof.



For the purposes of the Trust to sell, mortgage, pledge or otherwise encumber or dispose of any shares of stock, securities or other property from time to time belonging to the Trust upon such terms as they may approve.

By unanimous vote of the Trustees to borrow money from time to time to accomplish any of the purposes of this Trust, and to issue notes, bonds or other evidences of indebtedness, either secured or unsecured, in such manner and in such form as they may deem best, and such notes, bonds or other evidences of indebtedness may be issued for cash or property or in purchase of or exchange for shares of stock or other securities, provided that the total of all loans shall not at any time exceed                      per cent. of the par value of the share certificates issued hereunder and then outstanding, unless the consent or consents in writing of                      in interest of the holders of each class of shares issued and then outstanding hereunder shall have been first obtained and filed with the Transfer Agent; opportunity to join in such consent or consents being given to all shareholders by appropriate notice in writing mailed to each shareholder in accordance with the provisions of this agreement. Such written consent or consents shall specify the amount which said loan shall not exceed at any one time, and may be given at any time prior to the incurring of said loans from time to time by the Trustees.

The Trustees are hereby expressly given the right and power, by unanimous vote to sell share certificates, preferred or common or both, for the purpose of acquiring, with the proceeds thereof, additional shares of stock in the Northern Pacific Railway Company, provided such stock may be acquired at a rate not exceeding one share of said stock for one preferred and one common share issued hereunder.



The Trustees are also hereby expressly given the right and power by unanimous vote at any time to sell, assign and transfer all the assets held by them hereunder, to a corporation which shall have been organized by them under the laws of any State which they may determine, and with such corporate powers and capital stock as they may deem best in consideration of said corporation assuming all the liabilities of the Trustees or arising out of this agreement, and in further consideration of said corporation issuing full-paid and non-assessable shares of its preferred and common capital stock to the then existing share holders of this trust on the following basis, to wit: One share of full paid and non-assessable preferred stock of said corporation (similar in its rights to the preferred shares herein provided for) for every share of preferred stock issued hereunder by said Trustees and then outstanding, and one share of full-paid and non-assessable common stock of said corporation for every share of common stock issued hereunder by said Trustees and then outstanding. And thereupon every shareholder under this agreement shall be entitled upon the surrender of his certificates issued by the Trustees hereunder, to demand from said corporation certificates of stock in said corporation as aforesaid, and he hereby agrees to accept the same and to deliver up for cancellation all of his said certificates issued by the Trustees hereunder. For the benefit of and within the chartered purposes of said corporation, additional full-paid and non-assessable preferred and common stock or both, of said corporation, may be issued on such terms and for such consideration as the Trustees hereunder may deem best, and such consideration may be connected with and a part of the sale and transfer of the assets of this trust to said corporation.



corporation. This provision shall not prevent the Trustees obtaining for the shareholders under this Trust Agreement one share of preferred stock in said corporation for every share of preferred stock issued hereunder, and one share of common stock in said corporation for every share of common stock issued hereunder as aforesaid.

The stock of the Northern Pacific Railway Company assigned, transferred and delivered to the Trustees hereunder is intended to vest absolutely in them as joint tenants, in consideration of the rights and interests to be acquired by the stockholders hereunder, and such stock and all other property, including other stocks and securities which may be acquired by the Trustees, are to be held by them as joint tenants and not as tenants in common.

All such stock, securities and property may, however, be held in the name of "The Northern Pacific Association" or of the Trustees jointly, or in the name of one or more of the Trustees, or, under such safeguards against loss as may be advised by counsel, in the name or names of any other person, persons or corporations.

(3) The Trustees shall be entitled to reasonable compensation, and they shall have power to pay the same and also all expenses incurred in the management and protection of property held by them, and of the interests represented thereby and otherwise in the performance of their trusts hereunder, including expenses incurred in the employment of agents, attorneys and counsel to perform such duties as the Trustees may determine, from moneys received by them by way of dividends or other income.

It is, however, expressly understood that the re-



mainder of such dividends and income shall, after paying or providing for such expenses, be first applied or appropriated to the payment of dividends upon preferred shares issued hereunder, the holders of said shares having a lien upon such income for the security of such dividends.

S e v e n t h:--- Neither the death of the holder of any of such shares issued hereunder, or the transfer of such shares, shall work a dissolution of this agreement or the trusts hereby created, but such agreement and trust shall continue and the Trustees shall continue to hold the property transferred and delivered or acquired by them hereunder, notwithstanding any such death or transfer, the legal representatives or transferees taking the place of and succeeding to the rights of a prior holder as evidenced by the certificates issued by the Trustees pursuant to the provisions of this agreement.

E i g h t h:--- In case of the death, resignation or incapacity to act of any one of the Trustees, the remaining Trustees or the majority thereof shall, in writing, appoint another person to take his place, who shall thereupon succeed to his estate, rights, interests and powers hereunder as fully and completely as if he had been one of the original Trustees, parties hereto of the second part.

N i n t h:--- The Trustees may meet together and a majority of them shall form a quorum competent to act for all by a majority vote, except as otherwise in this agreement provided.

Instructions or determinations in writing signed by a majority of the Trustees shall be equivalent to like instructions or determinations duly adopted at a meeting of the Trustees.

The Trustees shall make by-laws and regulations not inconsistent with the terms of this instrument, as they may deem necessary or desirable for the conduct of their business, and for the government of themselves, their officers and agents, and they shall have power to amend or repeal such by-laws or regulations.

Thereby they shall provide, so far as practicable, as to enable each Trustee to take part in the meetings of the Trustees.

Stated meetings shall be held at such time, place and upon such notice as may be fixed by such by-laws.

Special meetings may be called from time to time by the President or any two of the Trustees, in accordance with the regulations to be set forth in the by-laws.

Any Trustee may give his written proxy to any other Trustee to be used at any meeting or meetings of the Trustees, except on questions requiring the unanimous action of the Trustees.

The Trustees shall annually elect from among their number a president, secretary and treasurer, and may elect or appoint such other officers, agents, attorneys, and employees as they may from time to time deem necessary or expedient for the conduct of their business.

They may accept any resignations and fill any vacancy in any of said offices.

The said officers shall have such authority and perform such duties as are usually incident to the offices held by them or as may be assigned to them by the Trustees.

T e n t h :--- (Here insert particulars as to the rights of the preferred and common shares



and forms of certificate therefor  
respectively).

(Form of Transfer)

FOR VALUE RECEIVED, I hereby sell, assign, transfer  
and deliver to

of the within named shares of THE NORTHERN PACIFIC  
ASSOCIATION, and I hereby request that such transfer  
of the said shares be recorded in the books of said  
Association.

W I T N E S S my hand this                      day  
of                      A. D.

Witness:-

In case of loss or destruction of any certificate  
of shares issued by the Trustees, the Trustees may, under  
such conditions as they may deem expedient, issue a new  
certificate or certificates in the place of the one lost  
or destroyed.

E l e v e n t h : --- So far as strangers to this  
trust are concerned, a resolution of the Trustees authorizing  
a particular act to be done shall be conclusive evidence in  
favor of such strangers that such act is within the powers  
of the Trustees and no purchaser from the Trustees shall be  
bound to see to the application of the purchase money or  
other consideration paid or delivered by or for said pur-  
chaser to or for said Trustees.

T w e l f t h :-- The Trustees may from time to time declare and pay dividends out of the net earnings from time to time received by them, and out of any cash received from the stockholders, but the amount of such dividends and the payment of them shall be wholly within the discretion of the Trustees, except that the dividends on the preferred shares shall be payable quarterly on the

days of

in each year, at the rate of            per centum per annum, and no more, and shall be cumulative, and said quarterly dividends shall be paid and set apart before any dividends are paid on the common shares. The Trustees shall have full power and authority to determine what portion of any receipts or expenditures ought in fairness to be treated as capital and what portion thereof ought in fairness to be treated as income, and shall have authority to reserve in each year such a sum as they may deem wise from the gross income actually collected as a reserve or surplus fund, with power to use said fund or the proceeds thereof at any time for the maintenance of dividends or to treat the same or any part thereof as surplus capital and to change their determination as to said fund or any part thereof from time to time, as to them shall seem prudent and expedient, absolutely at their own discretion.

T h i r t e e n t h : Meetings of the shareholders may be called by the Trustees at any time, and notice of any meeting shall be given by the secretary by mail to each shareholder at his address as registered on the books of the Companies, at least ten days before said meeting, and if his address is not so registered, then his address shall be considered as            At all meetings of



the shareholders, each holder of shares, whether preferred or common, shall be entitled to one vote for each share held by him and any shareholder may vote by proxy.

No business shall be transacted at any meeting of the holders, unless notice of such business has been given in the call for the meeting.

No business except to adjourn shall be transacted at any meeting of the shareholders unless holders of a majority of all the shares outstanding are present in person or by proxy.

Fourteenth:--- The death of a shareholder or Trustee during the continuance of this trust shall not operate to determine the trust, nor shall it entitle the legal representatives of the deceased shareholder to an accounting or to take any action in the case or elsewhere against the Trustees; but the executors, administrators or assigns of any deceased shareholder shall succeed to the rights of said decedent under this trust upon the surrender of the certificate for the shares owned by him.

The ownership of shares hereunder shall not entitle the shareholders to any title in or to the trust property whatsoever, or right to call for a partition or division of the same, or for an accounting, and no shareholder shall have any other or further rights than he would have as a stockholder in a corporation, so far as the same may be applicable. And it is hereby expressly declared and agreed that a trust and not a partnership is created by this instrument and that the shareholders are cestuis que trustent and hold no other relation to the Trustees than those of cestuis que trustent, with only such rights as are conferred upon them as such cestuis que trustent hereunder.



The Trustee shall have no power to bind the shareholders personally, and all persons or corporations extending credit to, contracting with or having any claims against the Trustees, shall look only to the funds or property of the trust for payment under such contract or claim, or for the payment of any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Trustees, so that neither the Trustees nor the shareholders, present or future, shall be personally liable therefor.

In every written order, contract or obligation which the Trustees shall give or enter into, it shall be the duty of the Trustees to stipulate that neither the Trustees nor the shareholders shall be held to any personal liability under or by reason of such order, contract or obligation.

Fifteenth:--- This trust shall continue for the term of forty years, at which time the then Board of Trustees shall proceed to wind up its affairs, liquidate its assets and distribute the same among the holders of preferred and common shares as hereinbefore provided; provided, however, that if, prior to the expiration of said period, the holders of at least two-thirds of each class of the shares then outstanding, shall, at a meeting called for that purpose, vote to terminate or to continue this trust, then said trust shall either terminate or continue in existence for such further period as may then be determined.

For the purpose of winding up of the affairs and liquidating the assets of the trust, the then Board of Trustees shall continue in office until such duties shall have been fully performed.



-15-

This Agreement and Declaration of Trust may be amended or altered at any meeting of the shareholders, with the consent of the holders of at least four-fifths of the shares of each class then outstanding, provided notice of the proposed amendment or alteration shall have been given in the call for the meeting, and in case of such alteration or amendment the same shall be attached to and made a part of this agreement, and a copy thereof shall be filed with

S i x t e e n t h : --- The said

have executed this agreement in token of their acceptance of the trusts thereof for themselves and their successors.

I N W I T N E S S W H E R E O F, the parties hereto of the second part have hereunto set their hands and seals and the parties hereto of the first part have severally signed their names hereto and written opposite the number of shares of Northern Pacific stock agreed to be sold, transferred and assigned by them hereunder.