

after acquired by it not appurtenant to any line of railroad operated by it or not acquired or held by it for any purpose incidental to the operation thereof and any part of the steamship or steamboat property now belonging to it or hereafter acquired by it, provided always that the moneys realized by the disposition of any such property shall be applied either to the purchase of property necessary or proper for the business of the Railroad Company, the property so purchased to be subject to all and every one of the terms, provisions and conditions of this mortgage and the lien thereof, or for the purchase and cancellation of the first mortgage bonds secured by the said mortgage or deed of trust made by the Oregon Railway and Navigation Company to the Said Farmers' Loan and Trust Company, or of the bonds issued hereunder, and if said moneys should, in the judgment of the Railroad Company be applied to the purchase of any of the said first mortgage bonds secured by the said mortgage to the Farmers' Loan and Trust Company, or of the bonds issued hereunder, the price at which such bonds shall be purchased shall be the subject of agreement between the Railroad Company and The Trustee.

In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this article be required to see to the application of the purchase money, nor shall The Trustee be under any obligation to see to the application of such purchase money.

The Railroad Company may at any time cancel or make any alterations in, or substitutions of, any leases, contracts or trackage rights owned by it which in the opinion of The Railroad Company shall be necessary or for the benefit of the mortgaged premises; but in any such event the modified altered or substituted leases, contracts, or trackage rights, shall be and forthwith become subject to the terms of this indenture in the same manner as those previously existing.

The certificate of the President or of a Vice President, of The Railroad Company, based upon his own knowledge or upon information received from any engineer or officer of The Railroad Company, may be received by The Trustee as sufficient evidence of any of the facts mentioned in this article and shall be full warrant to The Trustee for any action taken by it on the faith thereof; but The Trustee may in its discretion require such further and additional evidence as to it may seem reasonable.