

of at least five (5) per cent. in amount of the First and Refunding Bonds then outstanding, or to take any action in respect of any default unless requested to take action in respect thereof by a writing signed by the holders of not less than twenty-five (25) per cent. in amount of the First and Refunding Bonds then outstanding, and tendered reasonable indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefore, shall affect any discretion herein given to the Trustee to determine whether or not it shall take action in respect of such default, or to take action without such request. The Trustee shall be protected in acting upon any notice, request, consent, certificate, writing, note, resolution, bond or other proper document believed by it to be genuine, and to be signed by the proper parties. The Trustee shall not be responsible for the recording of this indenture and shall not be required to file the same as a chattel mortgage.

The Trustee shall have a lien under this indenture, preferential to the bonds secured hereby, upon the property mortgaged and pledged hereunder, for its costs, charges, expenses, liabilities and compensation.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created, and the Railway Company agrees to pay such compensation as well as all expenses reasonably incurred or disbursed by the Trustee hereunder.

Section 2. The Trustee or any trustee hereafter appointed may resign and be discharged of the trust created by this indenture by giving written notice thereof, to the Railway Company at least sixty (60) days previously, or such other time as may be accepted by the Railway Company as sufficient notice, and by due execution of the conveyance herein required.

The Trustee may be removed at any time by an instrument in writing under the hands of seventy-five (75) per cent. in amount of the holders of the First and Refunding Bonds then outstanding.

Section 3. In case at any time the said The New York Trust Company, or any trustee hereafter appointed, shall resign or be removed or otherwise become incapable of acting, a successor or successors may be appointed by the holders of a majority in amount of the First and Refunding Bonds then outstanding, by an instrument or concurrent instruments signed by such bondholders or their ~~attorneys in fact~~ attorneys in fact duly authorized; provided, nevertheless, and it is hereby agreed and declared that, in case at any time there shall be a vacancy in the office of Trustee hereunder, the Railway Company, by an instrument executed by order of its board of directors, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as herein authorized. The Railway Company shall thereupon publish notice of such appointment once a week for six consecutive weeks in a newspaper of general circulation published in the Borough of Manhattan in the City of New York, in the State of New York, and a newspaper of general circulation published in the City of Portland, in the State of ^{new} Oregon, and any trustee so appointed by the Railway Company shall immediately and without further act be superseded by a trustee appointed in the manner above provided by the holders of a majority in amount of the First and Refunding Bonds prior to the expiration of six (6) months after the last publication of such notice. Every such successor trustee shall always be a trust company in good standing, doing business in the City of New York, and having a capital and surplus amounting to at least two million dollars, if there be such a trust company willing and able to accept the trust upon reasonable or customary terms.

Any such new trustee appointed hereunder shall execute, acknowledge and deliver to