

The Trustee may advise with legal counsel, and shall be fully protected in any action under this indenture taken in good faith by it, in accordance with the opinion of counsel, and such action so taken shall be conclusive on the Railway Company and on all holders of the bonds hereby secured..

In all cases where this indenture does not make other express provisions, as to the evidence on which the Trustee may act or refrain from acting or upon which it may rely, the Trustee shall be protected, in acting or refraining from acting under any provision of this instrument, in relying upon the certificate, as to any matter therein mentioned, signed by the President or a Vice-President or the Chief Engineer and by the Comptroller or Auditor or Treasurer of the Railway Company.

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 necessarily incurred or disbursed by the Trustee hereunder.

Sec.2. The Trustee, unless and until it shall have received written notice to the contrary from the holders of five per cent. in amount of the first mortgage gold bonds outstanding, may, for all purposes of this indenture, assume that no default has happened under any mortgage or deed of trust covering the mortgaged and pledged premises, or any part thereof, or under any bond secured by any such mortgage or deed of trust; that no default has been made in the payment of any of said bonds, or in the observance or performance of any other of the covenants contained in said bonds or in the mortgage or deed of trust securing the same; that no receiver has been appointed of the railways or of any of them constituting part of the mortgaged and pledged premises; that no trustee under any mortgage or deed of trust covering the property or any part thereof constituting the mortgaged or pledged premises is or has been in possession of the property embraced in such mortgage or deed of trust; that the Railway Company is not in default under this indenture, and that none of the events hereinbefore denominated events of default has happened. The notice to the Trustee in this section provided for shall distinctly specify the default desired to be brought to the attention of the Trustee.

Sec.3. The Trustee, or any trustee or trustees hereafter appointed, may resign and be discharged from the trusts created by this indenture by giving to the Railway Company and to the bondholders notice by publication of such resignation, specifying a date when such resignation shall take effect, which notice shall be published at least once on a day not less than thirty days nor more than sixty days prior to the date so specified, in a newspaper at that time published in New York, N.Y., and in a newspaper published in Portland, Oregon. Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee shall have been appointed as hereinafter provided, either by the Railway Company or by the bondholders, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Any trustee hereunder may be removed at any time by an instrument in writing under the hands of the holders of two-thirds in amount of the first mortgage gold bonds then outstanding.

Sec.4. In case at any time the Trustee or any successor trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor or successors may be appointed by the holders of a majority in amount of the first mortgage gold bonds then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys-in-fact duly authorized; but until a new trustee shall be appointed by the bondholders as herein authorized ~~the~~ the Railway Company, by an instrument executed by order of its board of trustees, or of its executive committee, may appoint a trustee to