

may be redeemed, at the option of the Railway Company, on any interest day subsequent to March 1, 1931, at five per cent. premium and accrued interest, provided that notice of such election of the Railway Company shall have been given in two daily newspapers of general circulation in the City of New York, and one daily newspaper of general circulation in the City of Portland, Oregon, three times a week for nine successive weeks commencing not more than ninety days prior to the day on which such redemption is to be made, stating such election on the part of the Railway Company and that the interest on the first mortgage gold bonds then outstanding will cease on said day, and requiring that said bonds be then presented for redemption. Notice having been so given, all the first mortgage gold bonds then outstanding shall, on the day designated in such notice, become due and payable at the office or agency of the Railway Company in the City of New York, with a premium of five per cent. and the accrued interest thereon to such date of redemption, and from and after such date (unless the Railway Company shall make default in the payment of said bonds) interest on all the first mortgage gold bonds then outstanding shall cease, and, on presentation thereof, in accordance with such notice, the principal of said bonds, together with a premium of five per cent. and the accrued interest to such date of redemption shall be paid by the Railway Company.

Sec.2. On the deposit with the Trustee of the amount necessary so to redeem all said outstanding bonds, together with proof satisfactory to the Trustee of the due publication of such notice of redemption, and the payment to the Trustee of its reasonable compensation, expenses and disbursements then unpaid, the Trustee shall cancel and satisfy this mortgage and deed of trust, and assign and deliver to the Railway Company all stocks, bonds and other indebtedness or property held by it hereunder.

Sec.3. All first mortgage gold bonds redeemed and paid hereunder shall be cancelled and no first mortgage gold bonds shall be issued in substitution therefor.

#### ARTICLE FOUR.

##### Particular Covenants of the Railway Company.

The Railway Company Covenants As Hereinafter in This Article Set Forth:

Section 1. The Railway Company will duly and punctually pay the principal and interest of every bond issued under this indenture, at the dates and the place and in the manner mentioned in such bonds, or in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes which the Railway Company or the Trustee, or either of them, may be required to pay or to retain therefrom, under or by reason of any present or future law of the United States of America, or of any state, county or municipality therein, the payment of which tax or taxes the Railway Company hereby assumes. The interest upon the coupon bonds shall be payable only upon presentation and surrender of the several coupons for such interest as they respectively mature and when paid, such coupons forthwith shall be canceled. The interest on the registered bonds without coupons shall be payable only to the registered holders thereof.

In order to prevent any accumulation of coupons and claims for interest after maturity, the Railway Company will not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the first mortgage gold bonds; and the Railway Company will not, directly or indirectly, be a party to or approve of any such arrangement by purchasing or funding said coupons or claims for interest or in any other manner.