

lien upon the property hereby conveyed, and be paid out of the proceeds of the sale of the property hereby mortgaged.

The Company further covenants and agrees to and with the Trustees, their successor or successors and assigns, that so long as this Deed of Trust shall be in force and effect it will keep itself advised and informed with reference to the payment of taxes, rates, levies charges or assessments which are or may be lawfully imposed or assessed against the property covered by the lien of the collateral mortgage and will keep itself advised and informed as to whether or not the said Cape Horn Railroad Company keeps and maintains the property covered by the lien of the collateral mortgage in good condition and order and that it keeps and observes all laws, ordinances or regulations heretofore or which may hereafter be enacted relating to or affecting the management or operation of said railroad and whether the same is kept insured against loss by fire or other damage, and in the event of the default on the part of said Railroad Company in reference to any of the matters or things above referred to to be done or complied with by it, the Company, party of the first part hereto, hereby covenants and agrees to promptly notify the the Trustees of such failure or default on the part of the Cape Horn Railroad Company. In the event that the Trustees, or either of them, or any of the bondholders may, for the protection of the security afforded by the collateral mortgage and the note therein referred to, pay or cause to be paid any amount necessary to make good the defaults or any of them above referred to on the part of the Cape Horn Railroad Company, and the amount so paid or advanced shall be immediately repaid by the Company, party of the first part hereto, on demand, and in default shall be additional indebtedness secured by the lien hereof, and such failure shall constitute a breach of the covenants and conditions of this Trust Deed.

In case of the refusal, failure, or neglect of the said Trustees to execute their trust and their successors cannot be agreed upon, said successors may be appointed by the judge of the Superior Court of the State of Washington for the County of Skamania, upon application of said Company, or of said Trustees or of outstanding bondholders.

It is hereby covenanted, stipulated, and agreed by and between all of the parties hereto that the trust created by this instrument is accepted by said Trustees hereunder upon the express conditions that the said Trustees, their successors or assigns, shall not in any way or manner be liable for the neglect or failure of said Company to perform its part of this agreement, and the said Trustees, their successors and assigns, assume no responsibility for the correctness of the fact or statements of facts in this instrument made or in the validity of this mortgage or deed of trust or of the bonds secured hereby.

The Trustees shall be entitled to be reimbursed for all proper outlays of every sort or nature by them incurred in the acceptance and discharge of the trust hereunder and to receive a reasonable and proper compensation for all duties that they may at any time perform in the discharge of the same, and all such outlays, fees, commissions, compensation and disbursements shall constitute and continue a lien on the mortgaged property prior to any other claim hereunder.

The right of action under this Indenture is vested exclusively in the Trustees, and under no circumstances shall any bondholder or any number of bondholders have any right to institute an action or other proceeding on or under this Indenture for the purpose of enforcing any remedy herein and hereby provided, except in case of refusal on the part of the Trustees to perform any duty imposed on them by this instrument, and all actions and proceedings for the purpose of enforcing the provisions of this Indenture, shall be instituted and conducted by the Trustees according to their sound discretion, but the Trustees shall be under no obligation to institute and conduct such suit, or to take any proceedings under this Indenture until they shall be indemnified to their satisfaction for all expenses and costs of every kind. Should any suit or other proceeding be brought against the Trustees