

PIONEER, INC., TACOMA—136789

fair market value at the time of such sale, disposition or accounting;

(c) that no sum has been paid over/^{by}the Trustee to the Railway Company out of the Cash Fund under Section 3 of Article Eight hereof, or from any other source under this indenture, on account of, or to reimburse the Railway Company for, any expenditure in such certificate mentioned as having been made out of Prior Lien Gold Bonds or their proceeds, or for which reimbursement is claimed out of such bonds or their proceeds.

(d) In case of the acquisition hereunder of any new property, every such verified certificate also shall state whether the property so acquired is known, or believed, to be subject to any lien or charge prior to this indenture, other than (1) the mortgages securing outstanding old bonds hereinbefore mentioned, (2) mortgage bonds, or other liens, or charges, held by the Trustee, or in respect of which, as hereinafter provided, bonds shall have been reserved hereunder, and (3) any undetermined liens or charges incidental to construction; and such verified certificate shall specify the amount of any such prior lien or charge (other than as aforesaid) known or believed to exist; and in case of the acquisition of any shares of the capital stock, bonds or other indebtedness of any other Company by the use of such bonds or their proceeds, every such verified certificate shall state whether the property of such other company is known or believed to be subject to any lien or charge, and whether such company is known or believed to have any indebtedness, except ordinary operating accounts and except also indebtedness to the Railway Company, and liens, charges and indebtedness held by the Trustee hereunder, or in respect of which bonds shall have been reserved hereunder, such verified certificate in each instance specifying the amount of any such debt, lien or charge.

Any such verified certificate under this Section may state any other facts pertaining to the right to certify and deliver bonds hereunder.

(4) The Railway Company shall not by use of any such bonds reserved under this Section, or their proceeds, in any one calendar year acquire or construct new property, or acquire shares in any other company, if the amount of the mortgage or other liens and charges, prior to this indenture, upon such new property acquired or constructed in that year, and any and all indebtedness of such other company or companies whose stock shall be acquired in such year, shall in the aggregate exceed \$2,000,000 -- excepting, however, the mortgages, securing outstanding old bonds hereinbefore mentioned, and any mortgage bonds or other liens, charges or indebtedness held by the Trustee hereunder, or in respect of which, as hereinafter provided, bonds shall have been reserved in any previous calendar year, or years, and except also any undetermined liens or charges incidental to construction, and ordinary operating accounts and indebtedness of any such other company to the Railway Company.

In case there shall be acquired or constructed by use of such bonds, or their proceeds, any property subject to any such certified lien, charge or indebtedness, or in case by such use there shall be purchased any shares in a company certified as aforesaid to be indebted (not including, however, liens, charges and indebtedness of the classes above excepted) then during the continuance of such lien, charge or indebtedness, there shall be set apart out of the bonds reserved under this Section an amount at par equivalent to such certified liens, charges or indebtedness; and the bonds so set apart shall be taken from the \$1,500,000 bonds under this Section deliverable in such calendar year, or in the next two succeeding calendar years, as may be agreed between the Railway Company and the Trustee. Thereafter the bonds so set apart shall, from time to time, be executed and certified, upon the order of the Railway Company and delivered and used for the retirement or acquisition of such certified liens, charges or indebtedness in amounts equivalent at