

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY, S. F. T. O., CO., 187997

however, that under this provision no transfer shall be made which shall reduce the amount of stock in any company, held by the Trustee, so as to render it less than a controlling interest in such stock; and in any such case the Trustee may make such arrangements as it shall deem necessary for the protection of the trust hereunder.

Sec. 7. If default shall be made in the payment of the principal or interest of any mortgage bonds which shall have been delivered to and shall be held by the Trustee as pledgee hereunder, or of other bonds secured by the same mortgage as such bonds held by the Trustee, then in any such case the Trustee, upon the written request of the Railway Company, shall cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage or mortgages by which such bonds are secured; but, in any case where not less than eighty-five per cent. in amount of the principal of all the bonds secured by any mortgage are pledged hereunder, proceedings to foreclose such mortgage shall be taken only under such conditions as in the judgment of the Trustee will enable it either to obtain par and interest for the bonds secured by such mortgage held by it, or else to acquire the property covered by such mortgage, ~~and to subject such property, or securities representing such property, to the lien hereof, as hereinafter provided.~~ and to subject such property, or securities representing such property, to the lien hereof, as hereinafter provided. The Trustee shall, however, not be liable for any error of judgment in respect of such proceedings or their outcome.

In case the Railway Company shall be in default in the payment of the principal or interest of any of the bonds hereby secured, and such default shall have continued for a period of six months, or in case a receiver of the mortgaged premises shall have been appointed, or in case the Trustee shall have entered, or shall have elected to enter, into possession of the mortgaged premises under the power hereinafter conferred or by the voluntary action of the Railway Company, then the Trustee, in its discretion, may institute such proceedings without such written request.

In case, at any time, any company of whose capital stock the greater part shall have been assigned to and shall be held by the Trustee hereunder shall be dissolved or liquidated, or in case all ^{or} of any of the property of any such company shall be sold at any judicial or other sale upon the insolvency of such company, or in case any property covered by a mortgage securing any bonds then pledged with and held by the Trustee hereunder shall be sold upon foreclosure of such mortgage, then, in any such case, if the property of such company, or the property sold, can be acquired by crediting on the bonds, claims, indebtedness or stock held by the Trustee hereunder, as pledgee or transferee, the amount accruing thereon out of the proceeds of such property and paying not more than fifteen per cent. of the price of such property in cash, the Trustee may, in its discretion, and in ^{any} case, if by the Railway Company requested in writing and provided with the necessary funds therefor, the Trustee shall purchase or cause to be purchased such property either in the name and on behalf of the Railway Company or in its own name or by purchasing trustees, and shall use such bonds, claims, indebtedness and stock to make payment for such property; and in case of any such purchase the Trustee shall take such steps as it shall deem best to cause such property to be vested either in the Railway Company, subject to the lien of this indenture, or in some other corporation organized, or to be organized, for that purpose, of whose bonded debt and capital stock all, excepting the amount thereof required to qualify directors, shall be received and held by the Trustee and shall be vested in the Railway Company subject to the lien of this indenture.

The Trustee may also in any case take such steps as in its discretion shall be calculated best to protect its interests hereunder in respect of any bonds or stock held by