

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY, S. F. Y. CO., 18797

the Trustee shall deem prejudicial to the trusts hereunder; and

(5) until actually paid, released or discharged, every such coupon or right to interest or dividends, and all other such claims and indebtedness shall remain subject to the lien of this indenture.

The Trustee shall be entitled to assume that any interest received by it on any bond or other obligation; claim or indebtedness, or any dividends received on any shares of stock, is paid out of rents, revenues, income or proceeds of operation, until it is notified in writing to the contrary; and in the absence of any such written notification it shall be conclusively presumed as between the Trustee and the bondholders, that, in making any payments thereof to the Railway Company, the Trustee acted in good faith, and the Trustee shall be fully protected in making any such payment to the Railway Company.

If any such coupons or if any evidence of any such claim or indebtedness, delivered to the Railway Company hereunder, shall not as aforesaid forthwith be paid or cancelled, the Railway Company shall return the same to the Trustee, and, in case of the payment of any such coupons, claim or indebtedness, shall, upon the demand of the Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

Sec. 6. In case (1) any sum shall be paid before, at or after maturity, on account of the principal of any bonds or other obligations subject to this indenture, (2) any sum shall be paid on account of the interest on any such bonds or obligations out of the proceeds of the sale of property covered by a mortgage or deed of trust securing such bonds or obligations, or (3) upon the dissolution or liquidation of any company, any sum shall be paid upon any shares of capital stock subject to this indenture, then in any such case any such sum, unless required to be paid to and received by the trustee under any indenture constituting a lien prior to the lien of this indenture on the mortgaged and pledged premises, or part thereof, or unless applied on account of the purchase price of property purchased pursuant to Section 8 of this Article, shall be received by the Trustee and shall, from time to time, be paid over by the Trustee to the Railway Company to reimburse it for expenditures by it made, or to enable it to pay liabilities incurred and forthwith payable, for any purpose for which bonds or their proceeds or deposited cash may be used under Section 7, Article Three, hereof, upon certificates of such expenditures or liabilities signed by the President, or a Vice-President, or the Chief Engineer, and by the Treasurer, or Comptroller, or other chief accounting officer of the Railway Company, and otherwise subject to the provisions and restrictions of said Section 7. Such certificates shall be in the form required by said Section 7, Article Three, hereof, and shall be full protection to the Trustee for its action on the faith thereof.

Any of said moneys may also be used by the Railway Company for the purchase of bonds previously issued under the provisions of this indenture, at a price or prices not exceeding the fair market value thereof at the time of purchase. Upon delivery to and deposit with the Trustee from time to time of bonds issued under this indenture, either in bearer form or accompanied by proper instruments of assignment and transfer, whether cancelled or uncanceled (together with all unmatured coupons, if any, thereto belonging), the Trustee out of the moneys referred to in this Section 6 of this Article Six, shall pay to the Railway Company, or upon its written order, a sum equal to the fair market value expended, or to be expended, by the Railway Company in the acquisition of the bonds so delivered to and deposited with the Trustee. Said fair market value shall in no event exceed the principal amount of such bonds so delivered to and deposited with the Trustee. Any uncanceled General Mortgage bonds delivered to and deposited with the Trustee under and pursuant to this Section 6 of this Article Six, shall be cancelled by the Trustee upon the written order of the Railway Company.