

## MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

the Accounting Classification of the Interstate Commerce Commission of the Railway Company for the year ending on the next preceding December 31, certified by the Comptroller or the Treasurer. A similar statement furnished to the Trustee pursuant to the provisions establishing a sinking fund for any other series of General Mortgage Bonds shall be sufficient to satisfy this requirement. The Trustee shall be protected in relying on such certified statement and shall be under no duty to make any verification of or investigation or inquiry as to any part thereof.

SECTION 4. From and after each July 1, commencing July 1, 1946, and until the next succeeding April 1 the Trustee shall apply the moneys in the sinking fund to the purchase from time to time of:

(a) Series K, L or M Bonds at prices not exceeding the then current redemption price applicable for the sinking fund for the respective series, exclusive of brokerage and accrued interest or

(b) General Mortgage Bonds of any other series at prices not exceeding the then lowest current redemption price applicable for the sinking fund for any of the Series K, L or M Bonds, exclusive of brokerage and accrued interest.

The Railway Company may instruct the Trustee from time to time as to which series of General Mortgage Bonds should be so purchased by the Trustee. The Trustee may advertise publicly for tender of bonds for sale to the sinking fund or may purchase the same within the price limitation hereinbefore set forth either at public or private sale as to the Trustee may seem most advisable. The Railway Company covenants to pay to the Trustee upon request accrued interest and brokerage commissions payable with respect to any purchased bonds, it being the intention that accrued interest and brokerage commissions shall not be charged against sinking fund moneys.

Any monies at any time in the sinking fund shall, upon the request of the Railway Company, in lieu of the foregoing, be applied to the payment of the principal of any General Mortgage Bond of any series at its stated maturity.

SECTION 5. If on the April 1 next succeeding a July 1, there shall remain in the hands of the Trustee any moneys in the sinking fund equal to or in excess of \$50,000, then such remaining moneys (or at the option of the Railway Company any such remaining moneys thereof less than \$50,000) shall be applied to the redemption of Series K, L and M Bonds, as the Railway Company may determine (or if the Railway Company shall not so determine to the redemption of Bonds of such of the above Series as have the then lowest current redemption price or prices), on the next succeeding July 1 at the then current redemption price applicable to the sinking fund for the Bonds so redeemed as hereinabove set forth in Article Two hereof and otherwise in the manner and as provided in Article Four of the Mortgage, but on no such July 1 shall there be so applied an amount greater than the sinking fund payment required to be made on the preceding July 1 plus \$50,000. Any sum less than \$50,000 not so applied to the redemption of Series K, L or M Bonds shall be retained by the Trustee and shall be added to the next succeeding sinking fund installment but shall not operate to reduce the Railway Company's obligation for such sinking fund installment. All bonds acquired by the Trustee or delivered to it by the Railway Company pursuant to the provisions of this Article Three, together with all unmatured coupons attached thereto, shall forthwith be cancelled and no bonds shall be issued in place thereof under the Mortgage.

The Trustee shall not in any event be liable for the payment of the principal of, or interest on, any Series K, L or M Bonds called for redemption as herein provided except to the extent that it shall have funds in its hands either in the sinking fund or paid to it by the Railway Company for that purpose.