

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

thereof less than \$50,000) shall be applied to the redemption of Series P or Q Bonds, as the Railway Company may determine (or if the Railway Company shall not so determine, then to the redemption of Bonds of such of the above Series as have the then lower current redemption price), 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 P or Q 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 held by the Trustee for cremation 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 P or Q 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.

Section 6. The Railway Company covenants to pay the compensation and expenses of the Trustee in administering said sinking fund as provided herein, including the cost of advertisement of redemption notices and any other advertisements.

Section 7. No sinking fund monies shall be applied by the Trustee to the purchase or redemption of bonds during the continuance of an event of default under the Mortgage of which the Trustee shall have notice; but any monies in such sinking fund at the time when such notice shall have been received by the Trustee shall be held as additional security for the payment of Series P and Q Bonds.

ARTICLE FOUR

Continuation of Limitation Upon the Issuance of Bonds

The Railway Company covenants that the covenants contained in Article Four of the Supplemental Indenture dated as of July 1, 1944 to the Mortgage as modified by Article Four of the Supplemental Indenture dated as of July 1, 1945 to the Mortgage shall be continued in full force and effect but without otherwise extending their scope, until all of the Series P and Q Bonds shall have been paid or retired in full, or adequate provision satisfactory to the Trustee shall have been made for their payment and to this end the provision contained in Article Four of said Supplemental Indenture dated as of July 1, 1944, modified as aforesaid, to the effect that at such time as all of the Railway Company's General Mortgage Gold Bonds, Series K, L, M, N and O, shall have been paid or retired in full or adequate provision satisfactory to the Trustee shall have been made for their payment, said covenants shall become null and void and of no further effect, shall be deemed to be by this Supplemental Indenture appropriately modified.

ARTICLE FIVE

Concerning the Trustee

The Trustee hereby accepts the trust herein declared and provided and agrees to perform the same upon the terms and conditions in the Mortgage set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Railway Company or for or in respect of the recitals contained herein, all of which