

the principal and interest of the outstanding bonds secured hereby with interest on the overdue installment of interest and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon said bonds then to the payment of such principal and interest ratable according to the aggregate of such principal and the accrued and unpaid interest without preference or priority of principal over the interest or of interest over principal or of any installment of interest over any other installment of interest.

Third. Any surplus then remaining to the Company its successors or assigns or to whomsoever may be lawfully entitled to receive the same.

Upon any sale of the property hereby mortgaged or of any part thereof the purchaser in making payment therefor shall be entitled after paying in cash so much as shall be necessary to cover the costs and all other charges that may be decreed to be paid in cash, to appropriate and use toward payment of the remainder of the purchase price with the consent of the respective holders thereof, any of the bonds or coupons issued hereunder and entitled to participate in the proceedings of such sale, reckoning each bond or coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale; and proper receipt thereupon shall be given to the holders of such bonds and coupons for the amount so payable thereon, and the bonds and coupons if the net proceeds of the sale shall be insufficient to pay them in full, shall be delivered up to the person making such sale for cancellation or otherwise dispose of under the decree of the court, or if the proceeds of such sale shall not be sufficient to pay such bonds or coupons in full, the proper endorsement shall be made thereon of the amount so paid and they shall then be returned to the holders.

Article XIV. The Company covenants that it will not apply for or avail itself of any injunction or stay proceedings or plead or in any way take advantage of any extension law, stay law valuation law, redemption law, apportionment law or of any other law whether now in force or which may hereafter be in force in the states of Washington or Oregon or which may in any way alter impair or impede the rights or remedies of the holders of the bonds issued hereunder or of the trustee or which shall affect or change the time place means or mode of perfecting or enforcing such rights or remedies, any advantage or benefit conferred upon it by such laws being hereby expressly waived by the company. In case any of the remedies herein given or attempted to be given the trustee or the holders of the bonds and coupons hereby secured shall at any time be held invalid, or any provision of this indenture or the coupons or bonds secured hereby shall be held illegal or invalid for any reason such illegality or invalidity shall not affect the other remedies given hereby, but this indenture and said bonds and coupons shall be construed and enforced as if illegal; or invalid provisions had never been inserted herein.

In case any action is taken either by the trustee or bond holders, in accordance with the terms of this instrument to enforce the lien of the bonds and coupons secured hereby against the property hereby mortgaged such action may be directed against all or any part or parts of the property hereby mortgaged and no action against part of the property hereby mortgaged shall preclude further action in accordance with the terms hereof against the rest or other parts of such property nor shall such action under any one of the foregoing articles hereof be taken to preclude or prevent further action under the same or any other article providing for the enforcement of the lien hereof. The Company further agrees and covenants that it has good right full power and lawful authority to grant and convey the lands and other property hereby conveyed by it in the manner aforesaid that it will forever warrant the title to all property hereby conveyed or intended to be conveyed and that it will also do, execute acknowledged and deliver or cause to procure to be done and deliver all and every such further acts deeds transfers and assurances for the better assuring conveying and confirming unto the parties of the second part all and singular the property and appurtenances hereby conveyed or intended to be so as the trustee or a