

demand of the Company and at the cost and expense of the Company, shall execute proper instruments acknowledging the satisfaction of this indenture and such deeds of release or conveyance as shall be necessary, proper or requisite to revest in the corporation of its successor or successors the property hereby mortgaged and conveyed, free and discharged of the lien thereof.

#### ARTICLE TWELVE

##### DEFAULT - TRUSTEE MAY TAKE POSSESSION AND OPERATE.

In case the said Telephone Company shall make default in the payment of the principal or interest of said bonds hereby secured, or any part of said principal or interest, at any time when the same may become due and payable and when payment shall be demanded according to the terms of said bonds, and if any such default shall continue for the period of six months, or in case default shall be made in the due observance of any other covenant or condition herein required to be kept or performed by the Telephone Company, and any such last mentioned default shall continue for the period of six months after written notice to the Telephone Company signed by the holders of a majority of the bonds then outstanding, then, upon the request of the holders of any of said bonds the Trustee may, and upon the written request of a majority in interest of the holders of all of said bonds then outstanding, unpaid, or unredeemed, the Trustee shall enter upon and take possession of the said Telephone Company's premises and property, and the appurtenances belonging thereto, as such Trustee, or as the agent or attorney in fact of said Telephone Company, and have, hold and use the same in as full and ample a manner as the said Telephone Company could if lawfully in possession thereof, operating, by its managers, superintendents, or other attorneys or agents, and conducting the business of the Telephone Company, and exercising the franchises pertaining thereto, and making from time to time all needed repairs, alterations and additions thereto, and receiving all rents, tolls, incomes, issues and profits of the same, and after deducting the expenses of operating and of conducting the said business and all of the said repairs, alterations and additions and all payments which may be made for taxes or assessments upon the said premises and property, or any part thereof, as well as just compensation for its own services, and for that of its attorneys at law, the Trustee shall apply the money arising as aforesaid to the payment, first, of all moneys advanced by the Trustee hereunder, and interest upon all the bonds hereby secured, ratably to the persons entitled thereto. And the Trustee, upon a written request of a majority in interest of the holders of said bonds then outstanding, unpaid and unredeemed, shall, after entry as aforesaid, or without entry personally, or by its attorneys or agents, sell the said premises, property and appurtenances as an entirety at public auction to the highest and best bidder, at Hood River, Oregon, giving previous notice of at least thirty days of the time, place and terms of the sale, by publication in one or more newspapers of general circulation in Hood River County, Oregon. The Trustee is authorized to adjourn such sale or sales from time to time in its discretion giving what it shall deem reasonable notice of the time and place to which the same may be adjourned, and shall make, execute and deliver to the purchaser or purchasers a good, valid and sufficient deed of conveyance of the same which shall be a perpetual bar, both in law and equity, against the said Telephone Company, its successors and assigns, and all persons claiming under it or them, of all right, title, interest, claim or demand in and to the said premises or any part thereof, and after deducting from the proceeds of said sale just allowance for all expenses thereof, and the costs and expenses of managing the property, and reasonable compensation for its own services, and for that of its attorneys at law, the Trustee shall apply the said proceeds, or so much thereof as shall be necessary, first, to the payment and satisfaction of all moneys advanced by the Trustee hereunder, and interest on the same; second, to the payment of the