

SAID PREMISES TO LAPSE OR BECOME FORFEITED, BUT WILL EXERCISE DUE DILIGENCE WITH RESPECT TO THE RENEWAL OR EXTENSION THEREOF.

(8) THAT ALL OF THE NET PROCEEDS OF THE BONDS SOLD HEREUNDER SHALL BE PAID TO THE TREASURER OF BENTON-FRANKLIN INTER-COUNTY BRIDGE COMPANY, AND OF AND FROM SAID SUM THERE SHALL BE RETAINED BY SAID COMPANY, THE INTEREST FOR ONE YEAR ON THE BONDS ISSUED HEREUNDER IN THE SUM OF \$22,750.00, AND THE SAME SHALL BE APPLIED BY SAID COMPANY UPON THE PAYMENT OF THE INTEREST COUPONS ON THE BONDS ISSUED/AS^{HEREUNDER} AND WHEN THE SAME SHALL BECOME DUE AND THAT THE REMAINDER OF THE NET PROCEEDS OF THE BONDS ISSUED HEREUNDER SHALL BE PAID OUT BY THE BENTON-FRANKLIN INTER-COUNTY BRIDGE COMPANY FOR THE PURCHASE OF LANDS, AND RIGHT-OF-WAY FOR SAID BRIDGE AND FOR THE CONSTRUCTION AND COMPLETION OF THE TOLL BRIDGE HEREIN DESCRIBED, UNDER CONTRACT ENTERED INTO BETWEEN THE MORTGAGOR AS OWNER, AND THE UNION BRIDGE COMPANY AND THE PUGET SOUND BRIDGE AND DREDGING COMPANY AS CONTRACTORS, IN ACCORDANCE WITH PLANS AND SPECIFICATIONS PREPARED BY CHARLES G. HUBER, THE ENGINEER FOR THE MORTGAGOR.

ARTICLE II.

IT IS FURTHER UNDERSTOOD AND AGREED AS FOLLOWS:

(1) THAT ALL BONDS ISSUED HEREUNDER MAY BE REGISTERED IN THE NAME OF THE HOLDER WHEN HE SO REQUESTS UPON TRANSFER BOOKS, WHICH THE SAID MORTGAGOR SHALL KEEP AND MAINTAIN AT THE OFFICE OF THE TRUSTEE AT WALLA WALLA, WASHINGTON, AS LONG AS ANY BONDS SHALL REMAIN OUTSTANDING. AFTER REGISTRATION SUCH BOND SHALL BE TRANSFERABLE ONLY ON THE TRANSFER BOOKS BY THE REGISTERED OWNER OR HIS LAWFUL ATTORNEY AND THE TRANSFER SHALL BE NOTED ON THE BOND BY THE ENDORSEMENT OF THE TRUSTEE HEREBY APPOINTED AS TRANSFER AGENT FOR SUCH PURPOSE. AFTER REGISTRATION THE PRINCIPAL SHALL BE PAYABLE ONLY TO THE REGISTERED OWNER, THE COUPONS HOWEVER, REMAINING PAYABLE TO BEARER UPON PRESENTATION AND SURRENDER AND NEGOTIABLE BY DELIVERY.

(2) ANY REGISTERED BOND MAY AT ANY TIME BE TRANSFERRED TO BEARER BY THE REGISTERED OWNER THEREOF UPON THE TRANSFER BOOKS AND THE TRANSFER TO BEARER SHALL BE NOTED ON THE BOND AND THE BOND SHALL BE NEGOTIABLE BY DELIVERY AS IF IT HAD NEVER BEEN REGISTERED AND SUCH BONDS SHALL CONTINUE SUBJECT TO REGISTRATION AND TRANSFER TO BEARER AT THE HOLDER'S OPTION.

(3) THAT ALL OF SAID BONDS ARE SUBJECT TO CALL PRIOR TO MATURITY, IN INVERSE NUMERICAL ORDER AT ANY INTEREST PAYMENT DATE, ON NOTICE TO THE TRUSTEE NOT LESS THAN SIXTY (60) DAYS PRIOR TO SUCH INTEREST PAYMENT DATE AND ALL BONDS SO CALLED SHALL BECOME DUE AND PAYABLE AT SUCH INTEREST PAYMENT DATE; SUCH BONDS SO CALLED SHALL BE CALLED AT PAR AND ACCRUED INTEREST AND A PREMIUM OF TWO PER CENTUM OF THE FACE OF SUCH BONDS, AND THE BONDS SO CALLED SHALL BE DEEMED PAID IN FULL UPON DEPOSIT ON SAID INTEREST PAYMENT DATE OR PRIOR THERETO OF PRINCIPAL AND INTEREST AND PREMIUM AS AFORESAID WITH THE TRUSTEE FOR THE ACCOUNT OF THE HOLDER THEREOF, UPON RECEIPT OF SUCH NOTICE THE TRUSTEE SHALL IMMEDIATELY PUBLISH AT LEAST ONCE A WEEK FOR TWO WEEKS, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND COUNTY OF WALLA WALLA, STATE OF WASHINGTON, A NOTICE CONTAINING THE NUMBERS OF THE BONDS SO CALLED AND STATING THAT SUCH BONDS ARE CALLED FOR PAYMENT AT THE NEXT INTEREST DATE AND MAILING A COPY OF SAID NOTICE TO THE BOND HOLDERS SO FAR AS KNOWN. ON THE DATE SO SET FOR REDEMPTION THERE SHALL BE COME DUE AND PAYABLE AT BAKER-BOYER NATIONAL BANK OF WALLA WALLA, THE TRUSTEE, THE PRINCIPAL OF ALL BONDS THEN OUTSTANDING AND SO CALLED, TOGETHER WITH ACCRUED INTEREST, AND UPON SAID INTEREST