

MORTGAGE RECORD T

SKAMANIA COUNTY, WASHINGTON

Company, shall cause any prior lien bonds held by it to be cancelled and the obligation thereby evidenced to be satisfied and discharged; provided that the mortgage or other lien securing the same is satisfied and discharged of record; and upon similar direction shall sell or surrender such prior lien bonds held by it in pledge hereunder to the Trustee or other holder of the mortgage or other lien securing the same, for cancellation or to be held uncanceled, for the purpose of any sinking fund or other similar device for the retirement of bonds for which provisions have been made in the mortgage or other lien securing prior lien bonds so sold or surrendered; provided however; that no such prior lien bonds shall be ^{so} sold or surrendered, except by cancellation as aforesaid, until the Corporate Trustee shall have received an opinion of counsel to the effect that the provisions of the mortgage or other lien securing the prior lien bonds so to be sold or surrendered are such that no transfer of ownership or possession of such prior lien bonds by the trustee or other holder of such mortgage or other lien is permissible thereunder except to the Corporate Trustee hereunder to be held subject to the provisions of this Article IX or to the trustee or other holder of a mortgage or other lien securing other prior lien bonds to be held uncanceled under the terms of such mortgage or other lien under like conditions.

Section 53 Except during the continuance of a completed default specified in Section 82 hereof, the corporate Trustee, if so directed by an instrument in writing, signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company, shall permit any prior lien ^{bonds} held by the Corporate Trustee to be withdrawn in accordance with the order or orders of the Company, signed by its President or a Vice-President and its Treasurer or an Assistant Treasurer, upon deposit with the Corporate Trustee of an amount in cash equivalent to the principal amount of such bonds so withdrawn. any amounts in cash so deposited with the corporate trustee shall be held and disposed of by it in the manner provided by Section 34 or Section 35 hereof with respect to cash deposited with the Corporate Trustee under the provisions of Section 33 hereof.

Section 54. Upon the occurrence and during the continuance of any completed default specified in section 82 hereof, the Corporate Trustee may exercise any and all rights of a bondholder with respect to the prior lien bonds then held by it or may take any other action which shall in his judgement be desirable or necessary to avail of the security created for such prior lien bonds by the mortgages or other instruments securing the same, but shall be under no obligation so to do unless requested so to do by holders of not less than twenty-five per centum (25%) in principal amount of the bonds then outstanding hereunder. The Corporate Trustee shall be reimbursed from the trust estate for all expenses by it properly incurred by reason of any ^{such} action taken, with interest upon all such expenditures at the rate of six per centum (6%) per annum; and the amount of such expenses and interest shall, until ^{re} paid, constitute a lien upon the mortgaged and pledged property prior to the lien of the bonds and coupons issued hereunder.

ARTICLE X.

CONCERNING PLEDGED SECURITIES OF A SUBSIDIARY COMPANY.

SECTION 55. All certificates for shares of stock and all obligations of a subsidiary company which are pledged hereunder shall be delivered to the Corporate Trustee and shall be accompanied by such proper instruments of transfer as shall be necessary. The Corporate Trustee from time to time may, but shall be under no obligations to, transfer into its name, as Corporate Trustee, or into the name or names of its nominee or nominees, any and all shares of such stock, and may cause any or all such obligations held by it hereunder to be registered in its name, as Corporate Trustee or otherwise, or in the name or names of its nominee or nominees.