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MORTGAGE RECORD U
SKAMANIA COUNTY, WASHINGTON

D-1 to D-104, inclusive; \$1,000, numbered consecutively from M-1 to M-158, inclusive, all of the foregoing bonds to mature in twenty years from their date, and \$1,000, numbered consecutively M-159 to M-258, inclusive, maturing twenty-five years after their date.

m Section 5. ISSUANCE OF ADDITIONAL BONDS—In addition to the \$310,000 par value of bonds presently to be issued, as above provided, a further amount of not to exceed \$190,000 par value of bonds may be executed by the Mortgagor, certified by the Trustee and issued hereunder, either all at one time or from time to time, subject to and upon the following conditions, which must be complied with as a condition precedent to the issuance of such additional bonds:

(a) Such bonds may be issued only for the purpose of providing funds to apply on the purchase price of additional properties for use in connection with the business of Mortgagor and/or to provide funds to apply toward making betterments and extensions to the telephone system of Mortgagor. Any properties so acquired and/or any extensions or betterments must be owned by the company free of all encumbrances and immediately come under this trust deed.

(b) Mortgagor, not then being in default under this instrument, shall present to the Trustee duly certified copies of resolutions of its board of directors (in form satisfactory to Ralph Schneeloch Company, a corporation having its principal place of business in Portland, Oregon, hereinafter sometimes called "Banker") specifically describing the properties to be acquired and/or the betterments and/or extensions to the telephone system which Mortgagor thus desires to purchase, and duly authorizing for such purpose the issuance hereunder of the amount of additional bonds therein specified.

(c) The Banker in its discretion shall lodge with the Trustee its written consent to the issuance of the bonds thus specified. Such consent shall be signed by the proper (Pg. 13 officer of Banker and shall state, among other things, that in the opinion of Banker the properties, betterments or extensions which Mortgagor desires to purchase or make are economically advisable and in the judgment of Banker the par value of the additional bonds specified in such resolution does not exceed seventy per cent of the then reasonable value of such properties, betterments or extensions. No such bonds shall be issued without said written consent of the Banker and no such bonds shall be issued unless the net revenues of the properties then operated by Mortgagor for the preceding eighteen months, together with the revenues from the new properties (if in existence for eighteen months then the proved revenues for said period), are not less than double the total interest requirements for the bonds then outstanding plus those proposed to be issued. If the conditions provided in this paragraph (c) are found to exist, Banker shall give such written consent.

(d) The form, denominations, date and maturity or maturities of such additional bonds thus specified and the rate of interest they shall bear and the redemption price and all other terms and conditions thereof shall be satisfactory to the Mortgagor and Banker.

(e) Prior to the issuance of such additional bonds hereunder, a supplemental mortgage and other documents satisfactory to Mortgagor and Banker shall be duly executed and delivered by the parties thereto, and in manner satisfactory to Banker the properties, betterments and/or extensions in question shall be brought under the first lien of this instrument.

(f) Any additional bonds thus authorized to be issued shall be executed by the Mortgagor, certified by the Trustee and delivered to the order of the Mortgagor.

(g) All legalities in connection with the issuance hereunder of such additional bonds shall be subject to the approval of counsel for the purchase of such additional bonds, and all expenses connected with such issuance or proposed issuance of additional bonds shall be