

# MORTGAGE RECORD U

## SKAMANIA COUNTY, WASHINGTON

provided; likewise said franchises provide certain conditions that shall be observed and met and performed by the franchise holder. Mortgagor covenants and agrees to strictly perform and comply with each and every condition and requirement of each and every franchise under which any portion of its telephone system is operated, and of all valid laws, regulations and rules of the municipality, county, state or nation applicable thereto. (Pg. 20)

Mortgagor further covenants and agrees that on the expiration of any franchise pertaining to any part of its system it will have such franchise renewed and in default of renewal thereof it will within thirty days after demand by Banker pay to Trustee the value of that portion of its telephone system as to which the franchise is not renewed, the amount thereof to be determined and approved by Banker and Mortgagor, provided, if they are unable to agree in writing within thirty days, then such amount shall be fixed by the Trustee. Provided, a failure to meet the requirements of this section shall not be an event of default hereunder if the remaining assets of Mortgagor and the earnings from the remaining properties of Mortgagor subject to the lien hereof are such as to meet the requirements of Article I, Section 5 (c) for issuance of additional bonds.

Section 9. TO PAY TAXES AND LIENS—The Mortgagor covenants and agrees that this indenture shall be and remain a first lien and encumbrance upon the property described and embraced herein so long as any of the bonds issued hereunder shall remain unpaid, either in whole or in part, and that it will not voluntarily create or suffer to be created or to arise any lien or charge upon the mortgaged or pledged property, or any part thereof, or upon the income of Mortgagor arising from the premises herein embraced. That forthwith after the same shall accrue it will pay, or cause to be discharged or paid, every claim or demand which if unpaid might by law be given precedence over this instrument as a lien or charge upon said property, or any part thereof, or upon the income thereof, and that it will not suffer any claim or paramount title to be established to any of the said property and any claim which shall be established in any manner as such lien shall be promptly extinguished by the Mortgagor. This covenant shall be without prejudice to the right of the Mortgagor to contest the validity of any lien or charge which it believes to be ill-founded, either in law or in fact; always provided that the property mortgaged and pledged, and every part and parcel thereof, shall at all events be protected from sale by the Mortgagor pending any litigation with reference to the validity of such claim, and provided also that immediately upon the final adjudication of any such claim the Mortgagor will forthwith pay the same. The Trustee may in its discretion require the Mortgagor to deposit with the Trustee a good and sufficient surety bond to protect this bond issue against any tax, charge, claim or lien which the Mortgagor desires to contest, and upon a request therefor the Mortgagor shall supply such surety bond as the condition precedent to contesting such tax, claim, lien or charge. (Pg. 21)

Section 10. Promptly, and before the same become delinquent, the Mortgagor will pay and discharge all taxes, assessments and charges lawfully imposed upon the property mortgaged and pledged hereby or upon the income or interest of the Mortgagor therein or upon the income and profits from such property or upon the lien or interest of the Trustee created hereunder, and if the Mortgagor fails to pay any such taxes, assessments or charges, the Trustee may, but it is not obliged to, pay the same without inquiring into the validity thereof and shall thereupon be subrogated to the rights of the governmental authorities making such imposition. The Mortgagor may, however, in good faith contest the validity of any such tax, assessment or charge in the manner and upon the terms and conditions provided in Section 9 of Article III hereof. No payment made by the Trustee under this or any other