

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

Section 19. Mortgagor will not permit any lien to be created or attached to the franchises or rights of way of Sunnyside Telephone Company nor to any of the property of said Sunnyside Company, except with the previous written consent of Banker. Mortgagor covenants and agrees that not less than eighty per cent of the capital stock of said Sunnyside Company is owned and held by Mortgagor and is conveyed to Trustee by this instrument. That Mortgagor will not dispose of said stock or any part thereof except for a price in cash representing its full and fair market value and with the written consent of Banker, and that in the event any such sale is made the entire proceeds of such sale shall be deposited forthwith with the Trustee to be held as a part of the fund for the redemption of bonds and disposed of accordingly. Mortgagor further covenants and agrees that no dividends shall be declared or paid upon the stock of said Sunnyside Company transferred by this instrument unless simultaneously there is deposited with Trustee an amount of money equal to the whole of such dividends, to be held by Trustee as a part of such fund for redemption of bonds and to be used accordingly. If at any time or times during the life of this instrument said Sunnyside Company should increase its outstanding capital stock, such increase shall be effected in such way that Banker is satisfied that the increased amount of stock is fully paid and non-assessable, the opinion of Banker in this regard to be expressed in writing. In every such case certificates representing eighty per cent of such additional stock shall forthwith be issued by said Sunnyside Company in the name of Trustee for the same uses and purposes as the 261 shares of stock presently transferred to Trustee by this instrument, and Mortgagor will duly execute such other instrument and take such other steps and proceedings in connection with the issuance, endorsement and deposit of such additional stock as said Banker may reasonable request. Mortgagor will see to it that said Sunnyside Company keeps proper books of record and account showing fully and correctly the dealings and transactions regarding its business and affairs, that such books at all reasonable times shall be open to the inspection of Trustee and/or Banker, that within forty-five days after the close of each fiscal year said Sunnyside Company shall furnish to Banker detailed statements and audit, satisfactory in form to Banker, showing the assets and liabilities of said Sunnyside Company and the financial results of its operations during such year, that such statements and audit shall be prepared and certified by an expert accountant satisfactory to Banker, that if Banker so request such statement and audit shall be furnished semi-annually instead of annually. (Pg. 25)

If at any time the assets of said Sunnyside Telephone Company shall be transferred to and become the property of Mortgagor, the same shall immediately come under the lien of this trust deed as fully as if said property were now owned by Mortgagor. Mortgagor covenants and agrees that it will, upon demand of Trustee, execute any other and further document deemed by the Trustee advisable to effectually bring said property under this trust deed. If and when the Trustee is satisfied that the assets now owned by said Sunnyside Company have been acquired by Mortgagor and have been fully and satisfactorily brought under the lien of this trust deed, then said capital stock of said Sunnyside Company shall be surrendered to the order of Mortgagor.

Section 20. SINKING FUND—Mortgagor will create and maintain a sinking fund to be especially applied to the redemption and payment on or before maturity of the bonds secured by this indenture, by setting apart on or prior to July 1, 1928, and in each year thereafter until all of said bonds, principal and interest, shall be paid or redeemed, an amount of money equal to three per cent of the principal par value of the issued bonds exclusive of the bonds aggregating \$100,000 presently issued and maturing July 1, 1950. The money (Pg. 26)