

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

shall thereupon be given to the holders thereof for the amount so payable thereon, and the bonds and coupons (if the net proceeds of the sale are sufficient to pay them in full, together with interest on overdue bonds and coupons at the rate of eight per cent per annum from the date of the maturity thereof to the date of such payment) shall be delivered for cancellation to the party making the sale; or if insufficient therefor, then proper endorsements of the respective amounts so paid shall be made thereon, after which they shall be returned to the holders thereof. At any sale the Trustee or Banker or any bondholder or bondholders may bid for and purchase the property sold with the same rights as any other purchaser, and upon compliance with the terms of sale may hold, dispose of or otherwise deal with the property purchased in their own absolute right, without further accountability therefor.

Section 8. APPLICATION OF PROCEEDS OF SALE--The proceeds of any sale hereunder shall be applied to paying:

(a) First, all costs and expenses of such sale and of protecting and enforcing this trust, including all sums advanced by the Trustee and Banker, with interest thereon at the rate of eight per cent per annum, and including reasonable compensation to the Trustee and Banker, their attorneys, agents and servants;

(b) Next, principal and interest on all bonds then outstanding hereunder in full, including interest at the rate of eight per cent per annum on all overdue bonds and coupons, and all other indebtedness hereunder of the Mortgagor, if said proceeds are sufficient therefor; or, if insufficient therefor, then pro rata, without preference of bonds over coupons, or of coupons over bonds, subject, however, to the provisions of Section 9 of Article I hereof;

(c) The balance, if any, shall be paid to the Mortgagor or its order.

If such proceeds are insufficient to pay in full the sums mentioned in subdivisions (a) and (b) above, the unpaid balance, with interest thereon at the rate of eight per cent per annum, shall be and remain a valid, subsisting and enforceable obligation against the Mortgagor, and the Mortgagor hereby irrevocably consents that the Trustee, in its own name and as trustee of an express trust, may take a deficiency judgment thereon either in foreclosure proceedings or otherwise.

Section 9. TRUSTEE NEED NOT MANUALLY PRODUCE BONDS--The Trustee may in all things conduct any proceedings hereunder, or on said bonds and coupons, without manually producing the bonds or coupons and as if it held the same, and the certificate of the Trustee, under its seal, as to the numbers, denominations and amounts thereof, shall be admissible as evidence and as prima facie correct.

SECTION 10. REMEDIES CUMULATIVE, ETC.--Whenever action hereunder, or on said bonds or coupons, by the Trustee or bondholders is justified under the provisions hereof, it may be taken against all or any part of said property in their discretion. No delay or omission by them to exercise any right or power accruing upon a default hereunder by the Mortgagor shall impair such right or power or be construed as a waiver of such default or any acquiescence therein. Except as may be herein otherwise expressly provided, no right or remedy they have hereunder shall be exclusive of any other right or remedy, but shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing, and every power or remedy conferred by this instrument may be exercised from time to time as often as deemed expedient. If the Trustee proceeds to enforce any right hereunder by entry, foreclosure or otherwise, and such proceeding is discontinued or abandoned for any reason or is determined adversely to the Trustee, then in every such