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MORTGAGE RECORD U
SKAMANIA COUNTY, WASHINGTON

shall seem wise; and to receive the tolls, rents, income, issues and profits thereof, and to pay therefrom all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustees, their agents and counsel, and any charges of the Trustees hereunder, and any taxes and assessments and other charges prior to the lien of this indenture which the Trustees may deem it wise to pay, and all expenses of such repairs, alterations, additions and improvements, and to apply the remainder of the moneys so received by it, if interest only is due, to the payment of the installments of interest which are due and unpaid, in the order of their maturity, with interest after maturity at the rate borne by the bonds (except as otherwise provided in Section 5 of Article III hereof with respect to extended, pledged and transferred coupons); and, if the principal of said bonds is due, to the payment of said principal and interest pro rata without any preference or priority whatever. Whenever all that is due upon such bonds and installments of interest shall have been paid, the Trustees shall surrender possession to the Company, its successors or assigns; the same right of entry, however, to exist upon any subsequent default.

Section 3. If the Company shall be in default as provided in Section 1 of this Article, it shall be lawful for the Trustees, by such officer or agent as they may appoint with or without entry, to sell all the mortgaged and pledged property, as an entirety or in such parcels as the holders of a majority in aggregate principal amount of bonds outstanding hereunder shall in writing request, as provided in Section 16 of this Article, or in the absence of such request, as the Trustees may determine, at public auction, at some convenient place in Hood River, Hood River County, Oregon, or such other place or places as may be permitted or required by law, having first given notice of such sale by publication in at least one newspaper published and of general circulation in the City of Chicago, Illinois, and in at least one newspaper published and of general circulation in the City of Seattle, Washington, at least once a week for four consecutive weeks next preceding such sale, and such other or further notice as may be required by law, and from time to time to adjourn such sale or sales in their discretion without further notice except such as may be required by law, and upon such sale or sales to make and deliver to the purchaser or purchasers a good and sufficient deed or deeds or instruments of transfer for the same, which sale or sales shall be a perpetual bar, both at law and in equity, against the Company, and all persons and corporations lawfully claiming by, through or under it.

Section 4. In case of the breach of any of the covenants or conditions of this indenture, the Trustees shall have the right and power to take appropriate judicial proceedings for the enforcement of their rights and the rights of the bondholders hereunder. If a default shall occur as defined in Section 1 of this Article, the Trustees may either after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the bonds then outstanding hereunder and to foreclose this mortgage and to sell the trust estate under the judgment or decree of a court of competent jurisdiction; and it shall be obligatory upon the Trustees to take action, either by such proceedings or by the exercise of their powers with respect to entry or sale, as they may determine, upon being requested so to do by the holders of twenty-five per cent (25%) in aggregate principal amount of the bonds then outstanding hereunder and upon being indemnified to their satisfaction against loss and liability in the premises. No bondholder or bondholders shall be entitled to take any such proceedings except in case of refusal or neglect of the Trustees to act after such continued breach and such request and tender of indemnity as aforesaid.

Section 5. If the Trustees shall commence any proper proceedings at law or in equity