

at the time of such consolidation, merger, conveyance or transfer, and all property subsequently subjected to the lien of this indenture as a first mortgage lien thereon, and all renewals and replacements thereof, and all franchises necessary or proper for the operation thereof, shall be and become subject to the lien hereof, the lien thereby created to have the same force, effect and standing as if the Company had itself acquired or constructed such property.

If it shall appear that such net operating earnings, determined as aforesaid, for the period above provided, shall have been at least two and one-half ($2\frac{1}{2}$) times the annual interest charges referred to above, then the applicable percentage under the foregoing provisions shall be sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) instead of sixty per cent (60%).

Section 2. The successor corporation thereafter may cause to be signed, issued and delivered, either in its own name or in the name of Oregon-Washington Telephone Company, any or all bonds issuable hereunder, which shall not theretofore have been signed by the Company and authenticated by the Trustee, and upon the order of the successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions in this Indenture prescribed, touching the authentication and issuance of bonds, the Trustee shall authenticate and deliver any of such bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and any of such bonds which the successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be signed and delivered to the Trustee for such purpose; provided, however, that no such additional bonds may be issued hereunder and no cash shall be withdrawn or property released on the basis of "net bondable expenditures for property additions" unless such successor corporation shall by the indenture to which reference is made in Section 1 of this Article or by a subsequent indenture satisfactory to the Trustee similarly executed and delivered subject to the lien of this Indenture all property owned or thereafter acquired by such successor corporation (other than property of the nature of that excluded by the granting clauses hereof). All the bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore or thereafter issued in accordance with the terms of this Indenture as though all of said bonds had been issued at the date of the execution hereof.

Section 3. The Trustee may receive an "opinion of counsel" as conclusive evidence that any such indenture can and does comply with the foregoing conditions and provisions of Section 1 and/or Section 2 hereof.

ARTICLE THIRTEEN.

Discharge of Mortgage

If the Company, its successors or assigns, shall pay or cause to be paid to the holders of the bonds and coupons the principal, including therein the premium thereon, if any, and interest to become due thereon at the times and in the manner stipulated therein, and if the Company shall keep, perform and observe all and singular the covenants and promises in the bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall (at the option of the Company evidenced by a "resolution" delivered to the Trustee) cease, determine and be void, and thereupon the Trustees shall, upon the request of the Company, cancel and discharge the lien of this Indenture, and execute and deliver to the Company such deeds or other instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Company the estate and title hereby conveyed, and assign and deliver to the Company any property at the time subject to the lien of this Indenture which