

and performance of the powers and duties of the Trustees, or either of them, hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or wilful default of the Trustee claiming such lien). The Company hereby covenants and agrees to pay all advances, counsel fees and other expenses reasonably made or incurred by the Trustees, or either of them, in and about the execution of the trusts hereby created and to reimburse the Trustees therefor if such expenses are paid by them, or either of them. The Company agrees to pay the Trustees, or either of them, reasonable compensation for their services in the premises. The compensation of the Trustees shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust.

Section 3. If a default occurs of which the Trustees are by subparagraph (g) of Section 1 of this Article required to take notice or if notice of a default be given them as in said subparagraph (g) provided, then the Trustee, if and when such default becomes an "event of default", shall give written notice thereof by mail to the last known owners of all bonds "outstanding hereunder" as shown by the bond register and the list of bondholders required by the terms of Section 14 of Article Eight hereof to be kept at the office of the Trustee.

Section 4. In any judicial proceeding^{to} which the Company is a party and which in the opinion of the Trustees, or either of them, and its or his counsel has a substantial bearing on the interests of owners of bonds issued hereunder, the Trustees may intervene on behalf of bondholders and shall do so if requested in writing by the owners of at least ten per cent (10%) of the aggregate principal amount of bonds "outstanding hereunder." The rights and obligations of the Trustees under this Section are subject to the approval of the Court having jurisdiction in the premises.

Section 5. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Trustee is a party, ipso facto, shall be and become successor of the Trustee hereunder and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was Peoples National Bank of Washington in Seattle as the original trustee hereunder, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 6. The Trustees, or either of them, and any successor or successors hereafter appointed, may at any time resign from the trust hereby created by giving thirty (30) days' written notice to the Company, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor Trustee by the bondholders or by the Company. Such notice may be served personally or sent by registered mail.

Section 7. The Trustees, or either of them, at any time acting hereunder may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustees and to the Company, and signed by the holders of a majority of the bonds hereby secured and then outstanding.

Section 8. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public