

MORTGAGE RECORD T
 SKAMANIA COUNTY, WASHINGTON

inadequate, obsolete or wornout property; provided, however, that whenever any old, inadequate, obsolete or worn out property is renewed or replaced by, or there is substituted for it, other property costing more than an amount equivalent to the cost of the property renewed or replaced or for which other property is substituted, then to the extent of such excess, and to such extent only, such property so acquired, made or constructed shall be deemed property additions.

Section 5. The term "subsidiary company" shall mean any corporation having corporate authority to carry on and carrying on or by or for which there is then in process of construction, erection or acquisition property to carry on any of the business hereinafter in the next succeeding sentence of this Section mentioned and all the issued and then outstanding shares of stock of which (except directors' qualifying shares, if any), shall then be owned by the Company and shall then be or shall theretofore have been pledged with and delivered to and shall then be held by the Corporate Trustee. The term "subsidiary property additions" shall mean plants, lines, machinery, transmission lines, distribution, service and supply systems, tracks, rolling stock, buses, automobiles, property, real or personal, and permanent improvements, extensions or additions owned by a subsidiary company at the time when such subsidiary company shall have become a subsidiary company, or acquired, made or constructed or in process of construction or erection in so far as actually constructed or erected by or for such subsidiary company after it shall become a subsidiary company, by purchase, consolidation, merger, donation or in any other way whatsoever, used or useful or to be used in the business of generating, manufacturing, transmitting, distributing or supply^{ing} electricity produced by any means and part of or to be part of a system or systems or plant or plants for carrying on any of said business owned by such subsidiary company or another subsidiary company or connected or to be connected with or operated or to be operated in conjunction with some property of the Company. The term "subsidiary property additions" shall not, however, include (1) any shares of stock, bonds, evidences of indebtedness or other securities or contracts or choses in action, or (2) except as herein otherwise specifically provided, going value, good-will, franchises or governmental permits, granted to or acquired by a subsidiary company, as such, separate and distinct from the property operated thereunder or in connection therewith or incident thereto, or (3) any equipment, materials or supplies acquired for the purpose of sale or resale in the usual course of business or for the purpose of consumption in the operation of any of its properties, or (4) any natural gas wells or natural gas leases or natural gas transmission lines or pipes or other works or property used primarily and principally in the production of natural gas or its transmission up to the point of connection with any distribution system, or (5) any property acquired or constructed by a subsidiary company in maintaining its property in good repair, working order and condition, or merely to replace or in substitution for old, inadequate, obsolete or worn-out property; provided, however, that whenever any old, inadequate, obsolete or worn-out property is renewed or replaced by or there is substituted for it other property costing more than an amount equivalent to the cost of the property renewed or replaced or for which other property is substituted, then to the extent of such excess and to such extent only, such property so acquired shall be deemed subsidiary property additions.

Section 6. The term "funded property" shall mean:

- (1) All property owned by Pacific Power & Light Company on May 31, 1930 (but property not owned by Pacific Power & Light Company on said date but on said date owned by any corporation hereafter