

MORTGAGE RECORD T  
SKAMANIA COUNTY, WASHINGTON

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JOHNSON-COX COMPANY, PRINTERS, TACOMA 42284

no transfer of ownership or possession of such prior lien bonds by the trustee or other holder of such mortgage or other lien is permissible thereunder except upon a default thereunder or except to the Corporate Trustee hereunder to be held subject to the provisions of Article IX hereof or to the trustee or other holder of the mortgage or other lien securing such prior lien bonds or other prior lien bonds for cancellation or to be held uncanceled under the terms of the mortgage or other lien securing such prior lien bonds or other prior lien bonds under like conditions), (d) prior lien bonds for the purchase, payment or redemption of which money in the necessary amount shall have been deposited with or be held by the Corporate Trustee hereunder or by the trustee or other holder of the mortgage or other lien securing such prior lien bonds with irrevocable directions so to apply the same, and (e) prior lien bonds upon transfer of which or in exchange or substitution for and/or in lieu of which other prior lien bonds have been authenticated and delivered or made and delivered under any of the provisions of the prior lien securing such prior lien bonds.

Section 9. The term "net earnings certificate" shall mean a certificate signed and verified by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company, stating (A) the consolidated net earnings of the Company and of all subsidiary companies (with all inter-company items eliminated) for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which the applications for the authentication and delivery under this Indenture of bonds then applied for is made, showing how the same have been calculated and to that end specifying the operating income and revenues with the principal divisions thereof and the net non-operating income and revenues and the earnings derived from property of any other corporation subjected to the lien of this Indenture applicable to stock of such other corporation owned by the Company which are as hereinafter in this Section permitted to be treated as earnings of the Company and deemed to be operating income of the Company, and deducting from the total thereof (x) interest on current indebtedness of each subsidiary company, except indebtedness to the Company or another subsidiary company, (y) the total operating expenses (including taxes, rentals--after deducting from such rentals the annual interest charges, if any, on any indebtedness secured by lien on the property rented prior to the lien of this Indenture--insurance and reasonable charges for current repairs and maintenance but not including charges for renewals and replacements), and (z) further deducting (after the deductions in clauses (x) and (y) of this Section 9 have been made) from such balance of earnings the amount by which the aggregate of (1) net non-operating income and/or (2) net income which in the opinion of the signers is directly derived from the operation of (a) property (other than paving, grading and other improvements to public highways and any moveables to which the Company has title) neither subject to the lien of this Indenture, nor owned by a subsidiary company at the date of such certificate, and/or (b) properties to the lien hereof, now owned by a subsidiary company and neither subject to the lien hereof, nor owned by a subsidiary company at the date of such certificate, exceeds fifteen per centum (15%) of such balance of earnings; (B) the annual interest charges upon (1) all bonds outstanding hereunder at the date of such certificate, (2) those then applied for in the application in connection with which such certificate is made and those applied for in any other pending application, (3) all prior lien bonds which will be outstanding immediately after the authentication of the bonds then applied for in the application in connection with which such certificate is made and after the authentication of any other bonds applied for in any other pending application on the date of such certificate except prior lien bonds deposited with or made the basis of