

MORTGAGE RECORD T.

SKAMANIA COUNTY, WASHINGTON

all the requirements, conditions, provisions and limitations of Section 26, 27, 28 and 30 hereof as fully to all intents and purposes as if such property additions and subsidiary property additions, respectively, were made the basis of an application for the authentication of bonds thereon in principal amounts equivalent to seventy-five per centum (75%) (a) of the cost or fair value to the Company (which is less) and/or (b) of the cost or fair value to any other corporation or any individual or co-partnership subjecting such property additions to the lien of this indenture (whichever is less) and/or (c) of the cost or fair value to a subsidiary company (which is less), as shown by the engineers certificate provided for in subdivision (3) Section 31 hereof.

Any bonds issued under this indenture, deposited with the Corporate Trustee, pursuant to the provisions of this Section, shall forthwith be canceled, ^{and} at the request of the Company created by the Corporate Trustee and a certificate of such cancellation delivered to the Company, and any prior lien bonds deposited with the Corporate Trustee pursuant to this section shall be held by the Corporate Trustee subject to the provisions of Article IX hereof, and any moneys and/or purchase money obligations and/or other property received by the Trustee or either of them under this Section 61 shall be held as part of the mortgaged and pledged property and such moneys and/or purchase money obligations shall be paid over, withdrawn, used or applied, in the manner, to the extent, and for the purposes and subject to the conditions provided in Section 77 hereof.

The Company further covenants that while any subsidiary company shall continue to be a subsidiary company it will not suffer or permit such subsidiary company to make any lease, except to the Company or another subsidiary company, of any of its property, unless such lease shall be made subject to immediate termination by the Company or by the Corporate Trustee at any time during the continuance of a completed default hereunder.

Section 62. Should any of the property of a subsidiary company be taken by exercise of the power of eminent domain, or should any governmental body or agency at any time exercise any right which it may have to purchase any part of such property, the Company covenants that unless the proceeds of the property so taken or purchased shall be paid over to the trustee or other holder of any prior lien or other lien on such property pursuant to the requirements thereof, it will cause the proceeds of such property so taken or purchased to be paid over to the Corporate Trustee to be paid over, withdrawn, used or applied, in the manner, to the extent, and for the purpose and subject to the conditions provided in Section 77 hereof. The exercise of any such right to purchase, as aforesaid, shall be deemed an exercise of the power of eminent domain.

Section 63. The Company covenants that while any subsidiary company shall continue to be a subsidiary company it will cause such subsidiary company to pay when the same ^{shall} become due all taxes and assessments lawfully levied or assessed upon its property or upon any part thereof or upon any income therefrom, and will cause such subsidiary company duly to observe and conform to all valid requirements of any governmental authority relative to any of its property, and all covenants, terms and conditions upon or under which any of its property is held. The Company covenants that while any subsidiary company shall continue to be a subsidiary company it will not suffer or permit such subsidiary company to create or to suffer to be created any lien (other than liens for taxes or assessments or governmental charges not then due) upon its property or any part thereof, or the income therefrom, except a mortgage or other lien on any property of such subsidiary company which existed thereon when it became a subsidiary company or which may exist on any property thereafter acquired by such subsidiary company just prior to such acquisition and except the lien of purchase money mortgages, unless the obligation thereby secured shall