

MORTGAGE RECORD T
SKAMANIA COUNTY, WASHINGTON

87

JOHNSON-COX COMPANY, PRINTERS, TACOMA 42254

be pledged hereunder to be held by the Corporate Trustee as part of the mortgaged and pledged property, and within four months after the accruing of any lawful claims or demands for labor, materials, supplies or other objects which if unpaid might by law become a lien or charge upon the property of such subsidiary company or the income thereof, the Company will pay or cause to be paid and/or discharged or make or cause to be made adequate provision to satisfy or discharge the same; provided, however, that nothing in this Section contained shall require such subsidiary company and/or require the Company to cause such subsidiary company to observe or conform to any requirements of governmental authority or require the Company or such subsidiary company to cause to be paid or discharged or to make provision for the satisfaction or discharge of any such lien or charge or to pay any such tax or assessment so long as the validity thereof shall be contested in goodfaith and by appropriate legal proceedings, and provided that such security for the payment of such lien, charge or tax shall be given as the Corporate Trustee may require.

The Company further covenants that, save as aforesaid, it will not suffer or permit such subsidiary company to incur, create or permit to exist any indebtedness for the payment of which it is liable, except (a) indebtedness incurred in the ordinary course of business and maturing not more than eighteen months from the date thereof, (b) subject to the provisions of Section 49 hereof, indebtedness represented by prior lien bonds, (c) indebtedness secured by purchase money mortgages or by liens existing on property at its acquisition or by liens existing on property of a subsidiary company at the time it became a subsidiary company and (d) indebtedness which shall forthwith be pledged with the Corporate Trustee hereunder.

Section 64. In case the Company shall acquire all the property of a subsidiary company, whether by conveyance, merger, consolidation or otherwise whatsoever, the Corporate Trustee (upon receipt of an opinion of counsel that the Company has so acquired all such property and that in so far as such property--except cash, shares of stock and obligations, including bonds, notes and other securities--was within the term funded property at the time of such acquisition, the same is subject to the lien of this Indenture, subject to no lien except taxes for the then current year and taxes or assessments or governmental charges not then due, and the liens existing thereon just prior to such acquisition), shall deliver to the Company all shares of stock of such subsidiary company then held by the Corporate Trustee hereunder, and such shares of stock shall no longer be subject to the lien of this Indenture. Whenever one subsidiary company shall acquire all of the property of another subsidiary company, whether by conveyance, merger, consolidation or otherwise howsoever, the Corporate Trustee, upon receipt of an opinion of counsel that one subsidiary company has so acquired all such property of such other subsidiary company subject to no liens except such as existed thereon just prior to such acquisition and liens on the property of the acquiring subsidiary company existing just prior to such acquisitions, shall deliver to the Company, all shares of stock of such other subsidiary company then held by it and such shares of stock shall no longer be subject to the lien of this Indenture.

In the event that any of the property of a subsidiary company is acquired by the Company or by another subsidiary company, every part or item of the property so acquired shall have the same status, as funded property or not as funded property and as funded cash or not as funded cash, as it shall have had just prior to such acquisition and the cost of every such part or item of such property to be determined as provided in Section 27 hereof as of a time just prior to such acquisition, shall be deemed to be the cost of such parts or items of such property just after such acquisition and shall be so considered under the provisions of Section 27 hereof.