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MORTGAGE RECORD U
SKAMANIA COUNTY, WASHINGTON

payment of the principal of any of the Bonds when and as the same shall become due and payable, whether by the terms thereof or by declaration or otherwise, as herein provided, said moneys shall be forthwith applicable to the purposes specified in, and in accordance with the provisions of, Section 73, hereof; but so long as the company is not in default hereunder to the knowledge of the corporate Trustee, all or any part of said moneys, at the request and election of the Company evidenced by a resolution of the Board delivered to the corporate Trustee, and upon receipt of a certificate of the Company that the Company is not, to the knowledge of the signers, in default in the performance of any of the covenants on its part to be performed under the provisions of this Indenture, shall (unless some lien prior to the lien of this Indenture shall, in the opinion of Counsel, otherwise require) be applied by the corporate Trustee as follows:

A. They may be paid upon the written order of the Company from time to time, in accordance with the provisions of Section 21 hereof in like manner as Deposited Cash, except that, in the case of the withdrawal of said moneys upon the basis of the acquisition of additional property, the amount to be so paid shall be equal to, but shall not exceed, the amount by which

(1) the cost of fair value, whichever shall be less, of the additional property referred to in Paragraph A of Section 19 hereof, instead of 70% thereof, shall exceed

(2) the amount specified in Paragraph B of Section 19 hereof.

B. They may be applied by the corporate Trustee to the payment of the principal of Bonds, either at maturity or upon redemption by the Company in accordance with the provisions of Article Eight hereof, the Company providing, from funds not constituting a part of the trust estate, for the premium and/or accrued interest, if any, paid or required in connection with any such redemption, subject, however, to the provisions of Section 31 hereof, and provided the corporate Trustee receive a certificate of the Company that such Bonds are bonds which, under the provisions of Section 31 hereof, are permitted to be redeemed pursuant to this Paragraph B.

C. To the extent that any such moneys are proceeds of insurance upon any part of the mortgaged property, they may be paid over upon the written order of the Company for the purpose of reimbursing the Company for repairing, restoring or replacing the property destroyed or damaged, but only upon the receipt by the corporate Trustee of:

(1) A CERTIFICATE OF THE COMPANY, stating that expenditures have been made for such purpose, and the amount thereof, and also stating that the amount so expended was not in excess of the reasonable value of such repairs, restorations or replacements, and also stating that no part of such expenditures has theretofore been or will be made the basis for the authentication and delivery of Bonds or the withdrawal of any cash or the release of any property from the lien of this Indenture, or has been made out of the proceeds of any insurance upon any part of the mortgaged property or out of the proceeds of any part of the mortgaged property released from the lien of this Indenture, or from a prior lien, or taken by the exercise of the power of eminent domain; and

(2) AN OPINION OF COUNSEL to the effect that such repairs, restorations or replacements are subject to the direct lien of this Indenture free from all other liens, charges or encumbrances prior to the lien of this Indenture, except taxes or assessments not delinquent, and except also any other prior liens, charges or encumbrances to which the property so destroyed or damaged shall have been subject.

The amount so to be paid shall be the amount of the expenditures stated in such certificate, but upon receipt of a certificate of the Company to the effect that any of the