

**MORTGAGE RECORD U**  
**SKAMANIA COUNTY, WASHINGTON**

delivered in payment therefor.

(b) Net property additions shall be deemed to be all such physical property, real or personal, used or useful in the business of providing telephone, telegraph, teletype, telephoto, radio or television/service within the States of Washington and Oregon, and connected with or capable of being connected with the present trust estate as an addition thereto or extension, betterment or improvement thereof which shall have been acquired by the Company after December 31, 1938, less, however, the book value of all property retired.

(c) Earnings available for interest shall be deemed to be the gross operating revenues of the Company less all operating expenses including among other things taxes, rentals, insurance premiums, maintenance charges, and depreciation charges to the extent set forth in Section 10, Article III hereof, but excluding all income taxes, taxes on the mortgage debt, taxes refunded to bondholders, if any, interest on all interest bearing obligations of the Company and amounts charged against earnings or surplus for the amortization of debt and stock discount or premium and expense.

Bonds shall not be authenticated by the Corporate Trustee under this section until there shall have been presented to the Corporate Trustee:

(1) A certificate signed and verified by the President or Vice-President and the Treasurer or Assistant Treasurer of the Company under its corporate seal, stating:

(a) With reasonable detail, by classified fixed capital amounts in use by the Company, the property additions constructed or acquired and that the same were constructed or acquired after December 31, 1938, as and for a part of the Company's permanent or fixed investment in its business, and if the property so acquired is real estate, a legal description thereof.

(b) The actual cost thereof, that payment therefor has actually been made, and that such actual cost is in the opinion of the signers the fair value thereof, or, if in the opinion of the signers the fair value thereof is less than the actual cost the fair value thereof.

(c) The amount of bonds or liens, if any, subject to which such property additions were acquired.

(d) The book value of all property retirements after December 31, 1938, and not previously reported to the Corporate Trustee at the time of the authentication of additional bonds hereunder.

(e) That such property additions have not been made the basis of any other issue of bonds hereunder and have not been applied in satisfaction of the requirements or provisions of any sinking fund, maintenance, depreciation, improvement, insurance or other fund hereunder or under any indenture supplemental hereto, and have not been made the basis of the withdrawal of any moneys held by the Corporate Trustee under Section 3 of this Article II, or Sections 11 and 12 of Article III hereof, or any other provision of this indenture, or of any indenture supplemental hereto, except moneys held by the Corporate Trustee derived from the release of property acquired after December 31, 1938, in respect of which property no bonds shall have been authenticated or delivered hereunder, and that such property additions have not been made the basis for the release of property hereunder except property acquired after December 31, 1938, in respect of which no bonds have been authenticated and delivered hereunder.

(f) That such expenditures have not been made out of any insurance moneys or condemnation moneys received by the Company, except moneys arising from insurance on or condemnation of property acquired after December 31, 1938, in respect of which no bonds have been authenticated and delivered hereunder.