

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

single acquisition of new property costing \$100,000 or more, otherwise than by construction by the Company, the engineer making the certificate shall be an independent engineer approved by the Corporate Trustee.

Section 16. In case the Company shall hereafter acquire any property subject to a mortgage or other lien prior to the lien of this Indenture, the Company covenants and agrees that it will forthwith cause to be filed with the Corporate Trustee the following showings:

(1) The sworn statement of the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company,

(a) describing with reasonable detail the property so acquired;

(b) stating whether or not the same constitutes new property as defined in subdivision (b) of Section 13 of this Article, and, if so, the purpose or purposes for which the same was acquired and is used or is to be used;

(c) setting forth separately, by recognized classifications of accounts, the cost thereof, and by like classifications of accounts the fair value thereof, all as hereinbefore defined;

(d) stating the amount of the obligation or obligations secured by such existing mortgage or other lien upon said property, the date and maturity thereof, whether or not subject to redemption, and, if so, the terms and provisions of such redemption, interest rate or rates payable thereon, and the time or times of payment, and that such mortgage or other lien upon such property is not in default.

(2) Such supplemental mortgage or indenture or instruments of further assurance as may be necessary to subject such property to the lien of this Indenture, or, in the alternative, the opinion of counsel (who may be counsel for the Company), satisfactory to the Corporate Trustee, that no supplemental mortgage or indenture or instruments of further assurance are necessary, provided, however, that nothing herein contained shall be construed to be a limitation upon the provisions of this Indenture hereinbefore contained for the vesting hereunder of all property of the company hereafter acquired, it being the intention of the parties hereto that all property of the Company now owned or hereafter acquired is covered by the granting and pledging clauses hereof.

The company covenants and agrees that it will not acquire any property subject to a mortgage or other lien prior to the lien of this Indenture,

(1) if such mortgage or other lien, at the time of the acquisition of such property by the Company, be to any extent whatsoever in default; or

(2) if the principal amount of such mortgage or other lien prior to the lien of this Indenture, except the lien for taxes, assessments or other governmental charges not delinquent, shall, at the time of the acquisition of such property by the Company, be in excess of sixty-five per cent (65%) of the cost to the Company or fair value of such property, as hereinbefore in this Indenture defined, whichever is less, provided, however, that nothing herein or elsewhere in this Indenture contained shall be construed to prevent the Company from acquiring equipment subject to purchase money obligations or under conditional sales contracts or leases.

No bonds shall be authenticated or delivered or cash withdrawn under any provisions of this Indenture with respect of any property so acquired by the Company subject to a mortgage or other lien prior to the lien of this Indenture, except the lien for taxes, assessments or other governmental charges not delinquent, until and unless,