

# MORTGAGE RECORD U

## SKAMANIA COUNTY, WASHINGTON

Thousand Dollars (\$100,000.) in addition to the net income of the Company earned after January 1, 1939; and (b) that it will/declare or pay any dividends on its capital stock if the Company shall be in default as defined in Section 1 of Article VI.

Section 17. That, in the event any series of bonds hereafter created by the Company shall contain any provision for the reimbursement to the owner or holder thereof of taxes assessed and paid by such owner upon the principal and/or interest of said bonds, such reimbursement shall be made upon the conditions and in the manner set forth in the resolution of the Board of Trustees of the Company creating such series, or, if a supplemental indenture be entered into evidencing the creation of such series, as set forth therein.

### Article III. Depreciation Fund.

Section 1. The Company covenants that as further security for all of the bonds at any time issued and outstanding hereunder, it will establish a Depreciation Fund to be computed in the manner and to be used for the purposes hereinafter in this Article specified.

Section 2. The Company covenants that on the first day of June, 1940, and on the first day of June in each year thereafter, it will deposit in cash with the Corporate Trustee in said Depreciation Fund an amount equal to that amount credited to depreciation reserve on the books of the Company during the preceding calendar year, which amount so deposited, however, shall in no event be less than three and one-half per cent ( $3\frac{1}{2}\%$ ) nor more than four and one-half per cent ( $4\frac{1}{2}\%$ ) of the aggregate average amount at which the depreciable property is carried on the books of the Company during said preceding calendar year.

The Company covenants that on the first day of June, 1940, and on the first day of June or each year thereafter, it will deliver to the Corporate Trustee a statement certified to by the President or a Vice President, and the Treasurer or an Assistant Treasurer of the Company, setting forth the amount credited to depreciation reserve on the books of the Company during said preceding year, and setting forth the aggregate average amount at which the depreciable property was carried on the books of the Company during said preceding calendar year, and setting forth in reasonable detail the basis of the computation thereof.

Section 3. All payments made by the Company to the Corporate Trustee in accordance with the provisions of Section 2 of this Article shall be held in trust by the Trustees as part of the mortgaged and pledged property and shall be paid out to the Company, upon the showings provided for in Section 4 of this Article from time to time, to reimburse the Company for (1) the full amount of the cost of any property installed in replacement or substitution of property and made, constructed or acquired subsequent to January 1, 1939, or in process of construction or erection insofar as actually constructed or erected subsequent to January 1, 1939, and/or (2) the cost or fair value, should such fair value be less than such cost, of new property as defined in Article I hereof and purchased, acquired or constructed subsequent to January 1, 1939, and/or (3) the cost of permanent additions as defined in Article I hereof, and made, constructed or installed subsequent to January 1, 1939, or in process of construction or erection insofar as actually constructed or erected subsequent to January 1, 1939, and/or if not so paid out to the Company in reimbursement, upon written direction of the Company may be used, and, upon the expiration of five years from the date of each respective payment, shall be used by the Corporate Trustee for the purchase and cancellation of outstanding bonds issued under this Indenture at or below the redemption price thereof or, if unable to purchase a sufficient amount of said bonds at or below the said redemption price thereof, the Corporate Trustee shall pro-