

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

(c) that none of such property installed in replacement or substitution of property and that none of such new property and/or permanent additions

(1) consist of any property or any interest in the same which has not been subjected to the prior lien of this indenture, except the lien for taxes, assessments, or other governmental charges not delinquent;

(2) have been acquired or constructed out of any insurance moneys or the proceeds of property taken from the Company by eminent domain, or the proceeds of the sale by the Company of any property not released by the Trustees from the lien of this Indenture;

(3) are subject to any valid vendor's, contractor's, mechanic's or materialman's liens, or any 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 such lien has been fully prepaid, as defined in subdivision (e) of Section 13 of Article I;

(d) Showing the extent, if any, to which such property installed in replacement or substitution of existing property or such new property and/or permanent additions, conformably with the provisions of this Indenture, has been previously made the basis for the authentication and delivery of bonds or the withdrawal of cash, or used as a credit to or deduction from the Depreciation Fund provided for in this Article III; and the balance, if any, at the time of such application to the Corporate Trustee which may then be used as the basis for the certification and delivery of bonds or the withdrawal of cash, or as a credit to said Depreciation Fund, and the extent to which said balance is to be used under the application then made;

(e) That none of such expenditures has been made for current maintenance or repairs.

The Company may deliver to the Corporate Trustee the same certificates and showings as are herein in this Section 4 provided for the withdrawal of cash from the Depreciation Trust Fund and may use said certificate and showings, up to the full amounts set forth therein, in lieu of or in reduction of any payment then required under the provisions of Section 2 of this Article III.

Section 5. To the extent that any property installed in replacement of or substitution for existing property or any new property and/or permanent additions, as defined in Section 13 of Article I hereof shall have been used as the basis for the withdrawal of cash under Section 3 hereof or has been used in lieu of or in reduction of any payment required to be made under the provisions of Section 2 hereof as permitted by Section 4 hereof, such replacements or substitutions of property and/or new property and/or permanent additions to the extent so used shall not thereafter be used as the basis for the authentication or delivery of bonds or the withdrawal of cash or as a credit under any of the provisions of this Indenture.

Section 6. Any money, which may at any time be held in said Depreciation Fund, shall constitute a part of the mortgaged and pledged property, and the Corporate Trustee shall not permit the withdrawal or use of any money from said Depreciation Fund when the Company shall, to the knowledge of the Corporate Trustee, be in default hereunder as defined in Section 1 of Article VI hereof.

Article IV. SINKING FUND.

Section 1. The Company covenants and agrees that, until the redemption or payment of the bonds of the 4% Series due 1964, it will pay to the Corporate Trustee on the first day of December, 1943, and on the first day of each succeeding December, as a Sinking