

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY & PTO., CO., 187997

(a) the fair value of such property to the Company at the date of acquisition thereof; and

(b) the aggregate of (i) the amount of any lien subject to which such property is acquired, (ii) the amount of any purchase money mortgage or vendor's lien created in connection with its acquisition, (iii) any cash payment made therefor and (iv) the market value, or, in the absence thereof, the fair value of any securities or other property of the Company exchanged therefor;

all as of the date and as established by an independent engineer's certificate, filed with the Trustee, dated as of the date of the acquisition of such property, unless to offset such part of such indebtedness as shall exceed such percentage there shall be appropriated net bondable expenditures for property additions in an amount equivalent to such excess. Such appropriation shall be evidenced by a resolution deposited with the Trustee together with a certificate of net bondable expenditures for property additions dated as of the date of such appropriation and, if there be included in such certificate of net bondable expenditures for property additions any new gross expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05.

SECTION 8.08. Upon the occasional of its acquisition of any item of fixed property costing Twenty Five Thousand Dollars (\$25,000) or more and upon the occasion of its acquisition of any item of fixed property the cost of which brings the aggregate cost of all items of fixed property (exclusive of those with respect to which the requisite action has theretofore been taken under the provisions of this Section) to One Hundred Thousand Dollars (\$100,000) or more, the Company will execute and deliver to the Trustees an indenture supplemental hereto or other proper instrument specifically subjecting to the lien hereof all items of fixed property acquired by the Company to and including the date of such instrument (with the exception of those items excluded as aforesaid) together with an opinion of counsel stating that such supplemental indenture or other instrument is sufficient for such purpose or, in the alternative, will furnish to the Trustee an opinion of counsel that no such supplemental indenture or other instrument is necessary in order to subject such items of fixed property to the lien hereof.

SECTION 8.09. It will keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the plants, properties, business and affairs of the Company, and it will:

(a) At such times as the Trustee shall reasonably request, furnish statements in reasonable detail showing the earnings, expenses and financial condition of the Company;

(b) From time to time furnish to the Trustee such data as to the plants, property and equipment of the Company as the Trustee shall reasonably request;

(c) On or before the expiration of ninety (90) days after the end of each fiscal year ending on or after December 31, 1945, furnish to the Trustee a detailed audit report prepared by independent certified public accountants including their opinion and based on an examination sufficiently complete to comply with generally accepted auditing standards, covering the operations of the Company during such fiscal year and showing the earnings and expenses for such period and, in reasonable detail, the assets, liabilities and financial condition of the Company at the expiration thereof. Said balance sheets and reports shall be available at all reasonable times for the inspection of any bondholder or his authorized agent.

The Company further covenants that all books, documents and vouchers relating to the plants, properties, business and affairs of the Company shall at all times be open to the inspection of such accountants or other agents as the Trustee may from time to time designate.

SECTION 8.10. It will, on or before the expiration of ninety (90) days after the end of the calendar year 1946 and each calendar year subsequent thereto, file with the Trustee:

(1) An opinion of counsel either stating that such action has been taken with respect to the execution and delivery of supplemental indentures, conveyances or other instruments and the recording and filing of the same and of this Indenture and the rerecording and re-filing of this Indenture as is necessary for the purpose of maintaining the validity and