

## MORTGAGE RECORD-X

SKAMANIA COUNTY, WASHINGTON

PIONEER, INC., TACOMA—177183

occupancy of the premises leased by the United States National Bank of Portland (Oregon), as contemplated by the lease dated April 1, 1946, between the Company and said Bank, or (8) any property owned by the Northwestern Electric Company, a corporation of the State of Washington, on April 30, 1947, and acquired by the Company prior to the date hereof, or (9) any property, the cost of acquiring, making or constructing which is chargeable under accepted principles of accounting to operating expenses.

The term "Natural Gas and Oil Production Property" shall mean all leases, consolidated leases and operating agreements, fee lands and other mineral interests, gas and oil rights, wells, field compressors, equipment and other properties and rights whether producing or nonproducing, used or useful primarily and principally for the production and gathering of natural gas up to the point of connection with any gas transmission or distribution system or used or useful primarily and principally for the production or gathering of oil.

(II) When any Property Additions are certified to the Corporate Trustee in any certificate in any application under any of the provisions of this Indenture as the basis either of the authentication and delivery of bonds or of the release of property or the withdrawal of cash (except in the case of the release of property, or the withdrawal of cash representing the proceeds of insurance on, or of the release of, property or payment of or on account of obligations secured by purchase money mortgages, in each case on the basis of Property Additions acquired on constructed within ninety (90) days prior to the date of application for such release, or to the receipt by the Corporate Trustee of such cash, or subsequent to such application or receipt of cash, and except under the provisions of Section 39 hereof),

(A) there shall be deducted from the Cost or fair value thereof to the Company, as the case may be (as of the date so certified), (i) an amount equal to the Cost (or as to Property Additions of which the fair value to the Company at the time the same became Funded Property was less than the Cost as determined pursuant to this Section, then such fair value in lieu of Cost) of all Funded Property of the Company retired subsequent to April 30, 1947 (other than the Funded Property, if any, in connection with the application for the release of which such certificate is filed) and not theretofore deducted from the Cost or fair value to the Company of Property Additions theretofore certified to the Corporate Trustee, and (ii) an amount, if any, by which the Cost of automotive equipment used in the electric, gas, steam and/or water utility business of the Company retired subsequent to May 31, 1947, exceeds the Cost of automotive equipment used in the electric, gas, steam and/or water utility business of the Company acquired subsequent to May 31, 1947, and

(B) there may, at the option of the Company, be added to such Cost or fair value, as the case may be, the sum of

(a) the principal amount of any obligations secured by purchase money mortgages and any cash (other than proceeds of such purchase money obligations) not theretofore so added and which the Company then elects so to add, received by the Corporate Trustee or the trustee or other holder of any Qualified Lien, in either case representing the proceeds of insurance on, or of the release or other disposition of, Funded Property retired;

(b) the principal amount of any bond(s), or fraction of a bond, not theretofore so added and which the Company then elects so to add, the right to the authentication and deliver of which under the provisions of Section 26 or Section 29 hereof shall have been waived as the basis of the released of Funded Property retired;