

MORTGAGE RECORD-X

SKAMANIA COUNTY, WASHINGTON

PIONEER, INC., TACOMA--177183

Company has irrevocably directed the Corporate Trustee to apply such cash to the retirement of bonds pursuant to the provisions of said Section 64, any Property Additions so made the basis of such withdrawal of cash shall no longer be deemed to be Funded Property, except to the extent of any amount which shall, at the time such Property Additions were made the basis of such withdrawal, have been deducted from the Cost or fair value of such Property Additions pursuant to the provisions of clause (A) of Section 4 hereof less any amount which shall then have been added thereto pursuant to the provisions of clause (B) of said Section 4, and except to the extent of any amount which shall then have been deducted in respect of qualified Liens on such Property Additions pursuant to Section 26 hereof; and

(e) any cash deposited with the Corporate Trustee under Section 39 hereof (subject to the provisions of said Section 39 permitting bonds purchased or redeemed by application of cash pursuant to the provisions of said Section 39 to cease to be deemed to have been purchased or redeemed with Funded Cash) or Section 40 hereof, but when all bonds of the First Series shall have ceased to be Outstanding hereunder, such cash shall no longer be deemed to be or to have been Funded Cash.

Section 6. The term "Excepted Encumbrances" shall mean as of any particular time any of the following:

(a) liens for taxes, assessments or governmental charges not then delinquent, and liens for workmen's compensation awards and similar obligations not then delinquent, and undetermined liens or charges incidental to construction, and liens for taxes, assessments or governmental charges then delinquent but the validity of which is being contested at the time by the Company in good faith as provided in Section 36 hereof;

(b) any liens securing indebtedness, neither assumed nor guaranteed by the Company nor on which it customarily pays interest, existing upon real estate or rights in or relating to real estate acquired by the Company for substation, transmission line, transportation line, distribution line or right of way purposes;

(c) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or by any provision of law, to terminate such right, power, franchise, grant, license or permit, or to purchase or recapture or to designate a purchaser of any of the property of the Company;

(d) rights reserved to or vested in others to take or receive any party of the power, gas, oil or other minerals or timber generated, developed, produced, manufactured, pumped or stored by, or grown on, or acquired with, any property of the Company;

(e) easements, restrictions, exceptions or reservations in any property and/or rights of way of the Company for the purpose of roads, pipe lines, transmission lines, distribution lines, removal of coal or other minerals or timber, and other like purposes, or for the joint or common use of real property, rights of way, facilities and/or equipment, and defects, irregularities and deficiencies in titles of any property and/or rights of way, which do not materially impair the use of such property and/or rights of way for the purposes for which such property and/or rights of way are held by the Company;

(f) rights reserved to or vested in any municipality or public authority to control or regulate any property of the Company, or to use such property in a manner which does not materially impair the use of such property for the purposes