

MORTGAGE RECORD—X

SKAMANIA COUNTY, WASHINGTON

PIONEER, INC., TACOMA—177183

and improvements, extensions and additions thereto and renewals and replacements thereof, (b) the property made and used by the successor corporation as the basis under any of the provisions of this Indenture for the authentication and delivery of additional bonds or the withdrawal of cash or the release of property or a credit under Section 39 or Section 40 hereof, and (c) such franchises, repairs and additional property as may be acquired, made or constructed by the successor corporation (1) to maintain, renew and preserve the franchises covered by this Indenture, Or (2) to maintain the property mortgaged and intended to be mortgaged hereunder as an operating system or systems in good repair, working order and condition, or (3) in rebuilding or renewal of property, subject to the Lien hereof, damaged or destroyed, or (4) in replacement of or substitution for machinery, apparatus, equipment, frames, towers, poles, wire, pipe, tools, implements and furniture, subject to the Lien hereof, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unservicable, undesirable or unnecessary for use in the operation of the property mortgaged and intended to be mortgaged hereunder.

(II) In case the Company, as permitted by Section 85 of this Indenture, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the Lien of this Indenture, all or substantially all of the Mortgaged and Fledged Property as an entirety, and the plant account of the resulting or successor corporation immediately after such consolidation, merger, conveyance or transfer represented by assets other than those acquired from the Company, shall be not less than Ten Million Dollars (\$10,000,000), then the resulting or successor corporation may, at its option, at any time within twelve (12) months subsequent to the date of such consolidation, merger, conveyance or transfer, deposit with the Corporate Trustee under the provisions of this Section an amount in cash to be held as part of the Mortgaged and Fledged Property and applied subject to the provisions of this Section; provided, however, that the amount of the cash so deposited together with any other cash then held by the Corporate Trustee shall be not less than the amount necessary to redeem all bonds Outstanding under this Indenture.

(III) If one or more Federal, State, County, Municipal or other governmental bodies or agencies or public or semi-public corporations, districts or authorities shall acquire seventy per centum (70%) or more of the issued and then outstanding shares of capital stock of the Company of all classes not having preference over any other class of stock either as to payment of dividends or on liquidation, as a bona fide step precedent to dissolution of the Company, the Company may, at its option, at any time (within twelve (12) months subsequent to the date on which one or more of such bodies, agencies, corporations, districts or authorities acquired such capital stock of the Company), deposit cash with the Corporate Trustee to be held as part of the Mortgaged and Fledged Property and applied subject to the provisions of this Section; provided, however, that the amount of cash so deposited together with any other cash then held by the Corporate Trustee shall be not less than the amount necessary to redeem all bonds Outstanding hereunder.

(IV) If, by exercise of the option specified in either subsection (II) or subsection (III) of this Section, cash for the redemption of bonds shall be deposited in the required amount, the Corporate Trustee shall as soon as may be practicable thereafter apply such cash together with any other cash then held by the Corporate Trustee to the redemption of all bonds then Outstanding hereunder in the manner provided in Article X hereof. In the event that bonds are redeemed as provided in this Section, all cash then deposited pursuant to this Section and all other cash then held by the Corporate Trustee under any provisions of this Indenture, shall, for the purpose of determining the redemption prices of bonds, be deemed to have been deposited pursuant to this Section.