

said bonds, to be applied in payment of the same at maturity or redemption day, or (3) deliver to the Trustee to be held by it subject to the trusts of this Indenture securities satisfactory to it for the payment by the Mortgagor Company of the underlying bonds so to mature or to be redeemed. The Mortgagor Company agrees that, if it at any time acquires any of the underlying bonds, it will forthwith deliver them uncanceled to the Trustee and they shall be held by the Trustee as security under this Indenture until all the bonds of the particular underlying issue have either been cancelled or have been received by the Trustee, and they shall then be cancelled and surrendered to the Mortgagor Company. The latter shall thereupon cause the mortgage securing that issue to be discharged.

C. Forty-one million dollars (\$41,000,000) face value of said bonds shall be reserved by the Mortgagor Company to be delivered by it from time to time to the Trustee to be certified and re-delivered by the Trustee to the Mortgagor Company to reimburse it for the actual cash cost of extensions, enlargements and additions to the mortgaged estates and properties purchased or constructed and paid for since January 1, 1912, or of the securities of other corporations actually acquired and paid for by the Mortgagor Company after said date and deposited with the Trustee to be held subject to the lien hereof, but only to an amount in face value of such bonds not to exceed eighty per cent. (80%) of such actual cash cost or fair value to it, whichever is less; provided, however, that no bonds shall be certified by the Trustee and re-delivered under this Sub-division C unless and until the Mortgagor Company shall deliver to the Trustee the following, to-wit:

First.- In the case of bonds to reimburse the Mortgagor Company to the extent of eighty per cent. (80%) of the actual cash cost, or the fair value for the purposes of the Mortgagor Company, whichever is less, of extensions, enlargements and additions:

1. A statement, signed and sworn to, signed by the President or Vice-President and the Treasurer or chief accounting officer of the Mortgagor Company, stating, with reasonable details of description and actual cash cost, that in addition to the properties of the Mortgagor Company as existing on January 1, 1912, and in addition to the properties of the Mortgagor Company acquired from the Casadero Real Estate Company and the Portland Water Power and Electric Transmission Company and owned by the Mortgagor Company at the date of the execution of this Indenture, the Mortgagor Company has purchased, constructed or acquired extensions, enlargements and additions to its property as defined in this Indenture, not including therein repairs, replacements or renewals excepting only to the extent permitted by Section 6 of this Article, which said extensions, enlargements and additions are useful or an appropriate adjunct or protection, in the carrying on of the business of the Mortgagor Company in and about the City of Portland, Oregon, and the adjacent districts tributary thereto, and that in no case has any expense, for maintenance or renewals, which in the proper practice of companies carrying on business similar to that carried on by the Mortgagor Company are charged to operating expenses been treated as an extension, enlargement or addition, and that nothing has been included which, with proper regard to the nature and condition of the property, ought to have been considered as a repair, replacement, offset to depreciation or other operating expense; and stating further that the Mortgagor Company has not been reimbursed for any part of such actual cash cost, either in bonds issued under this or any other section of this Indenture, or in cash under