

BE IMPOSED AGAINST SAID NOTES OR INTEREST THEREON BY THE UNITED STATES ON ACCOUNT OF NORMAL INCOME TAX IN EXCESS OF TWO PER CENT (2%).

ARTICLE IV. REDEMPTION.

"THE COMPANY" SHALL HAVE THE RIGHT ON ANY INTEREST PAYMENT DATE ON AND AFTER MAY 1, 1925, TO REDEEM AND PAY OFF ALL OR ANY OF THE NOTES OUTSTANDING HEREUNDER AT $101\frac{1}{2}\%$ OF THE PAR VALUE THEREOF, AND ACCRUED INTEREST TO THE DATE OF REDEMPTION. THE ELECTION OF "THE COMPANY" SO TO REDEEM AND PAY OFF ALL OR ANY OF ITS OUTSTANDING NOTES SHALL BE EXPRESSED BY A RESOLUTION OF ITS BOARD OF TRUSTEES WHICH SHALL SET FORTH THE AMOUNT OF THE PAR VALUE OF THE NOTES TO BE REDEEMED. ANY NOTES SO TO BE REDEEMED ^{SHALL BE REDEEMED} IN THE DIRECT NUMERICAL ORDER UNLESS "THE COMPANY" SHALL ELECT TO REDEEM THE ENTIRE AMOUNT OF THE OUTSTANDING NOTES. "THE COMPANY" SHALL DELIVER TO "THE TRUSTEES" A CERTIFIED COPY OF SAID RESOLUTION. "THE COMPANY" SHALL THEN CAUSE A NOTICE OF SUCH REDEMPTION TO BE PUBLISHED ONCE A WEEK FOR THREE SUCCESSIVE WEEKS PRIOR TO THE DATE FIXED FOR SUCH REDEMPTION IN A NEWS PAPER OF GENERAL CIRCULATION IN THE CITY OF PORTLAND, OREGON, THE SAID PUBLICATION TO BE NOT LESS THAN THIRTY DAYS PRIOR TO THE DATE FIXED FOR REDEMPTION, AND SHALL CAUSE A COPY OF SUCH NOTICE TO BE MAILED AT LEAST THIRTY DAYS PRIOR TO DATE FIXED FOR REDEMPTION TO THE OWNERS OF ALL THE REGISTERED NOTES TO BE SO REDEEMED AT THEIR RESPECTIVE POSTOFFICE ADDRESSES LAST APPEARING ON THE BOOKS FOR REGISTRATION OF SAID NOTES. "THE TRUSTEES" SHALL LIKEWISE GIVE SUCH NEWSPAPER ADVERTISEMENT OF SUCH REDEMPTION AS TO SUCH TRUSTEES MAY SEEM RIGHT AND PROPER. SAID NOTES HAVING BEEN SO CALLED FOR REDEMPTION AND SAID NOTICE HAVING BEEN DULY GIVEN, SUCH NOTES SHALL BECOME DUE AND PAYABLE ON THE DATE SPECIFIED FOR SUCH REDEMPTION AT $101\frac{1}{2}\%$ OF THE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST TO SUCH DATE, IF SUCH REDEMPTION BE MADE ON MAY 1, 1925, AND AT SUCH PREMIUM DECREASED AT THE RATE OF ONE-FOURTH OF 1% FOR EACH SUCCEEDING SIX MONTHS, VIZ:

IF REDEEMED ON MAY 1, 1925,	$-1\frac{1}{2}\%$
" " "NOVEMBER 1, 1925 -	$1\frac{1}{4}\%$
" " "MAY 1, 1926, -	1%
" " "NOVEMBER 1, 1926 -	$\frac{3}{4}\%$
" " "MAY 1, 1927 -	$\frac{1}{2}\%$

AND UPON DEPOSIT WITH "THE TRUSTEES" OF THE AMOUNT REQUIRED FOR THEIR REDEMPTION, SHALL FROM THE DATE MENTIONED FOR SUCH REDEMPTION CEASE TO DRAW INTEREST, AND "THE COMPANY" AND "THE TRUSTEES" MAY UPON THE DEPOSIT WITH "THE TRUSTEES" FOR THE BENEFIT OF THE HOLDER, OR HOLDERS, OF THE NOTES SO CALLED FOR REDEMPTION OF THE AMOUNT DUE THEREON FOR REDEMPTION THEREOF, BE PRIVILEGED TO CONSIDER SUCH NOTES AS PAID AND CANCELLED. SUCH AMOUNT SO DEPOSITED WITH "THE TRUSTEES" SHALL BE HELD AS A TRUST ^{FUND} TO BE APPLIED BY "THE TRUSTEES" TO THE PAYMENT AND REDEMPTION OF SUCH NOTES IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREOF. A CERTIFIED COPY OF THE RESOLUTION OF THE BOARD OF TRUSTEES AND THE CERTIFICATE OF ANY OFFICER OF "THE COMPANY" AS TO THE GIVING OF PROPER NOTICE OF SUCH REDEMPTION, SHALL BE FULL AND COMPLETE AUTHORITY TO "THE TRUSTEES" FOR ANY ACTION TAKEN BY THEM IN PURSUANCE OF THIS ARTICLE.

SHOULD "THE TRUSTEES" AT ANY TIME HAVE IN THEIR POSSESSION FUNDS DERIVED FROM "THE COMPANY'S" INSURANCE, WHICH FUNDS ARE, PURSUANT TO THIS AGREEMENT, APPLICABLE TO THE PAYMENT OR REDEMPTION OF SAID NOTES, IT SHALL BE THE DUTY OF "THE TRUSTEES"