

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

detail the amount so expended; or (b) to reimburse the Company for expenditures for property, replacements, improvements, extensions and/or additions which have not been made the basis of the issue of bonds or the withdrawal of cash or the release of property under other provisions of this indenture, upon compliance with the provisions of Section 3 of Article VI hereof in so far as the same are applicable hereto.

Any such money not so applied within two years after its receipt by the Corporate Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding or renewal then in progress and uncompleted shall not have been given to the Corporate Trustee by the Company within such two years, or which the Company shall at any time notify the Corporate Trustee is not to be so applied, shall be credited to the sinking fund in addition to the amounts required to be deposited therein, and as part of the sinking fund shall be used for the retirement of bonds in the manner hereinafter in Article V of this indenture provided.

Section 13. The Company will: (a) At any and all times, upon ^{the} written request of the Trustees, permit the Trustees, by their agents and attorneys, to examine all the Company's books of account, records, reports and other papers, and to take copies and extracts therefrom; the Trustees are, however, under no duty to make any such examination. (b) Furnish to the Trustees within four months after the close of each fiscal year a report of a certified public accountant, who may be in the employ of the Company, selected by the Company and satisfactory to the Trustees, setting forth a detailed and true balance sheet showing accurately the financial condition of the Company and a full and detailed statement of its earnings and expenses for such fiscal year. The Trustees are, however, under no duty to take any action in respect thereof, except to exhibit the same to any bondholder upon request.

Section 14. The Company will not issue, or permit to be issued, any bonds hereunder in any manner other than in accordance with the provisions of this indenture and will not suffer or permit any default to occur under this indenture or any indenture supplemental hereto, but will faithfully observe and perform all the conditions, covenants and requirements hereof.

Section 15. The Company will not declare or pay any cash dividends upon its capital stock, either preferred or common, at any time outstanding except out of earned surplus accumulated subsequent to August 31, 1938. Annual net earnings added to surplus shall be determined according to sound telephone utility accounting practices and shall be determined after providing for depreciation accruals as set forth in Section 10 of this Article III. The Company will not pay any cash dividends on its capital stock, either preferred or common, if it has not made the 1% sinking fund payments as provided in subparagraph (b) of Section 1 of Article V hereof, nor unless and until any cumulative deficit which may exist under subparagraph (b) of Section 1 of Article V hereof has been cured by the payments into the sinking fund.

ARTICLE IV REDEMPTION OF BONDS.

Section 1. The bonds of the 4 $\frac{1}{2}$ % Series, due 1958, shall be redeemable at any time in whole or in part by lot at the option of the Company in accordance with the provisions of this Article IV, at the principal amount thereof and accrued interest to the date fixed for redemption, together with the following premiums:

5 per cent of the principal amount of bonds redeemed on or before December 1, 1943;

4 per cent of the principal amount of bonds redeemed thereafter and on or before December 1, 1948;

3 per cent of the principal amount of bonds redeemed thereafter and on or before Decem-