

MORTGAGE RECORD U
SKAMANIA COUNTY, WASHINGTON

ceed, in the name and on behalf of the Company, to call bonds issued hereunder for redemption as in Article V of this Indenture provided, in respect to the amount of bonds, of all or any part of a series, to be so redeemed which the cash so in the hands of the Corporate Trustee and then subject to such use by the Corporate Trustee will enable the Corporate Trustee to redeem, according to the terms of such bonds. The Company agrees to pay the premium, if any, upon any bonds so purchased or redeemed, the accrued interest thereon and any expense of redemption. If at the time the Corporate Trustee is required to apply all or any part of the money in said Depreciation Fund to the retirement of bonds, there are no bonds outstanding hereunder subject to redemption before maturity, the Corporate Trustee shall purchase any bonds offered at the lowest offering price, but shall not pay more than the face value thereof and accrued interest; and in the event of said Depreciation Fund then available for the retirement of bonds cannot be so applied, the same shall remain in said Depreciation Fund until so applied, and, notwithstanding the five year limitation upon the withdrawals of money by the Company, shall be subject to withdrawal as hereinbefore in this section provided. If at the time the Corporate Trustee is required to apply all or any part of the money in said Depreciation Fund to the retirement of bonds, more than one series shall be outstanding and more than one of such series shall be subject to redemption prior to maturity, unless otherwise directed in writing by the Company, the Corporate Trustee shall redeem bonds of the series having the lowest redemption premium at the time.

Any cash or funds at any time used by the Corporate Trustee for the purchase or redemption and cancellation of bonds issued hereunder shall not be credited upon but shall be in addition to the amounts required to be paid by the Company to the Corporate Trustee for sinking fund purposes pursuant to the provisions of Article IV.

Notwithstanding any other provisions of this Indenture cash or funds deposited by the Company with the Corporate Trustee pursuant to the provisions of this Article III may be withdrawn by the Company to reimburse the Company for its expenditures for the purposes in this Section 3 set forth without regard to the earnings of the Company.

Section 4. Notwithstanding any other provisions of this Indenture, funds on deposit with the Corporate Trustee pursuant to the provisions of this Article III shall be paid by the Corporate Trustee to the Company at the rate of one hundred per cent (100%) and not sixty-five per cent (65%) of the amounts expended by the Company for the purposes set forth in Section 3 of this Article III, but only on receipt by the Corporate Trustee of:

The sworn statement of the President or a Vice President of the Company and of an engineer (who may be an employee of the Company) appointed by the Company and satisfactory to the Corporate Trustee, showing:

(a) the full amount of the cost of any property installed in replacement or substitution of property and made, constructed or acquired subsequent to January 1, 1939, or in process of construction or erection insofar as actually constructed or erected subsequent to January 1, 1939, stating in reasonable detail the nature and extent of such properties so made, constructed or acquired.

(b) that in addition to the properties of the Company, as such properties existed on January 1, 1939, and not released from the lien of this Indenture as hereinafter provided, the Company has constructed, purchased or acquired new property and/or permanent additions as defined in Section 13 of Article I, stating with reasonable detail the nature and extent of such properties so made, constructed or acquired, the actual expenditures made by the Company therefor, and as to new property, the fair value, as defined in Section 13 of Article I thereof.