

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

(whether all or part of any particular series are to be redeemed) shall be held in trust for the account of the respective holders of the bonds to be redeemed and shall be paid to them respectively upon presentation and surrender of such bonds with all unmatured coupons pertaining thereto; and after the redemption day if the moneys for the redemption of said bonds shall have been so deposited as aforesaid, such bonds shall cease to bear interest, and such bonds shall cease to be entitled to the lien, benefit or security of this Indenture, the coupons for interest maturing subsequent to that day shall be void and as respects the Company's liability thereon, such bonds and coupons shall be deemed to have been paid.

Section 7. All bonds issued hereunder which are paid, retired or redeemed under any of the provisions of this Indenture shall be forthwith cancelled by the Corporate Trustee.

Section 8. If the amount necessary to redeem any bonds called for redemption as aforesaid shall have been deposited with the Corporate Trustee for the account of such bonds on or before the date specified for such redemption, and either the notice provided for in respect of the redemption of such bonds shall have been duly given, or arrangements for the publication of such notice shall have been made satisfactory to the Corporate Trustee, or authorization shall have been given by the Company to the Corporate Trustee to give notice on behalf of the Company as hereinbefore provided, the Company and the Corporate Trustee shall be privileged to consider such bonds redeemed from the holder or holders thereof and paid for purposes of release and satisfaction of this Indenture, and to consider such bonds and coupons as no longer outstanding hereunder.

ARTICLE VI. REMEDIES UPON DEFAULT.

Section 1. An event of default is hereby defined to be the happening of one or more defaults or failures on the part of the Company in cases as follows:

(a) In case default shall be made in the payment of any interest on any bonds secured hereby, or in the payment of any sinking fund payment required in respect of any bonds issued hereunder, when and as the same shall become payable, and any such default shall continue for a period of sixty (60) days; or

(b) In case default shall be made in the payment of the principal of any bonds secured hereby, when the same shall become due and payable, whether at maturity as therein expressed or by declaration or otherwise; or

(c) In case the Company shall be dissolved or lose its charter by forfeiture or otherwise or be adjudged bankrupt or insolvent; or

(d) In case, upon its own application, a receiver shall be appointed for substantially all of the property of the Company; or in case such receiver is so appointed otherwise than upon application of the Company and not thereafter discharged within a period of ninety (90) days from the date of such appointment; or

(e) In case a petition to reorganize the Company pursuant to Chapter 10 of the Federal Bankruptcy Act, as amended, or any section thereof, shall be filed against the Company and not dismissed within ninety (90) days after such filing, or in case the Company shall file a petition in bankruptcy under any provisions of said Bankruptcy Act or shall consent to the filing of any bankruptcy or reorganization petition against it, or shall file a petition to reorganize the Company pursuant to said Chapter 10 of said Bankruptcy Act, as amended, or any other section thereof, as now or hereafter in effect or

(f) In case default shall be made in the due observance or performance of any other covenant or condition contained herein required to be kept or performed by the Company,