

for the redemption of debenture bonds selected by lot, at par, to the equivalent of such balance available in the sinking fund. After the Reconstruction Finance Corporation loan is paid the Company may increase the sinking fund from its surplus working capital, derived from earnings, sale of property, or otherwise, or it may use such surplus working capital in the purchase of debenture bonds in the open market at less than par. Debenture bonds so purchased shall immediately be surrendered to the Trustee.

If debenture bonds are redeemed by calling the same by the Trustee as above provided, notice of such redemption, giving the number of debenture bonds, called, shall be published at least once each week for two consecutive weeks, in two daily newspapers of general circulation, one printed and published at Portland, Oregon, and the other at San Francisco, California, and if the name and address of the owner of such called debenture bond is of record with the Trustee, written notice shall also be sent to such owner or owners at such record address, and on and after the last date of such published notice neither the debenture bonds, nor coupons attached thereto which have been so called for redemption shall thereafter be secured by this trust indenture, but said Trustee shall set aside funds sufficient for the redemption of such debenture bonds so called, which funds shall be set apart in a separate trust fund belonging to the holders of such called debenture bonds, which shall be paid by presentation thereof, together with the unpaid coupons appurtenant thereto.

All expenses connected with the redemption shall be paid to the Trustee by the Company.

Section 2. All debenture bonds and coupons surrendered to the Trustee and paid or redeemed, whether under the provisions of this Article, or otherwise, shall be cancelled, and by the Trustee delivered to the Company, and shall not thereafter be reissued.

Section 3. Upon deposit with the Trustee of the amount necessary to redeem all outstanding debenture bonds secured hereby, and payment to the Trustee of its reasonable compensation, expenses and disbursements and compliance with all of the covenants and stipulations herein contained, the Trustee shall, upon demand of the Company, release and discharge and satisfy this instrument, and the record thereof.

ARTICLE IV.

Releases.

Section 1. Until said loan from the Reconstruction Finance Corporation has been fully paid, any property covered by this trust indenture and by the mortgage to the Reconstruction Finance Corporation which is sold by the Company and released from the mortgage of the Reconstruction Finance Corporation shall thereupon be automatically released from this trust indenture, and upon request by the Company the Trustee hereunder shall thereupon execute a release releasing such property from this mortgage provided the full selling price of such property so to be released has been paid to the Reconstruction Finance Corporation and applied upon the debt secured by the mortgage to said Reconstruction Finance Corporation; or in the event the entire selling price is not paid or to be paid to the Reconstruction Finance Corporation, then such portion of said selling price not so paid or to be paid to the Reconstruction Finance Corporation shall be paid to the Trustee hereunder into the redemption fund and used for the redemption of debenture bonds secured hereby, and upon the receipt of said money the Trustee hereunder shall release such property, so sold, from the lien of this trust indenture.

Section 2. The Company shall be entitled to obtain from the Trustee releases of property now or hereafter covered hereby, under the following conditions: