

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

All bonds delivered to the Trustee pursuant to this Section shall be cancelled by the Trustee, together with the coupons, if any, appertaining thereto and shall be delivered to or upon the order of the Company and shall not be reissued.

SECTION 9.03. Without in any way limiting the provisions of Sections 9.01 and 9.02, the Company in each maintenance period, unless prohibited from so doing by a governmental body having jurisdiction in the premises, will set aside and segregate out of its net earnings transferred to surplus an amount equal to the excess, if any, of twenty-five per cent. (25%) of its gross operating revenues for such maintenance period over the sum of

(i) the aggregate of expenditures made by the Company for repairs to and maintenance of its fixed property during such maintenance period (being the same expenditures used in the calculation set forth in (i) of Section 9.02 hereof); and

(ii) the amount charged against income and credited to depreciation reserve during such maintenance period.

The surplus so set aside may not be used for the payment of dividends other than dividends payable in stock of the Company, provided, however, that nothing herein shall prevent the Company from transferring all or any part of such segregated surplus at any time to its depreciation reserve account, or to stated capital in connection with the payment of a stock dividend or otherwise.

ARTICLE TEN.

SINKING FUNDS FOR SERIES A BONDS AND BONDS OF OTHER SERIES.

SECTION 10.01. The Company covenants and agrees that so long as any Series A bonds are outstanding hereunder it will, in each of the years 1947-1975, both inclusive, not less than thirty (30) days prior to January 1st of such year, deposit with the Trustee as and for a sinking fund for Series A bonds moneys sufficient (when increased by the payment of accrued interest to such January 1st) to redeem on such January 1st Series A bonds in aggregate principal amount equal to one per cent. (1%) of the total aggregate principal amount of Series A bonds authenticated and delivered to and including such January 1st (exclusive of Series A bonds in exchange or substitution for which other bonds of Series A may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12, 3.05 and 7.06). On each such January 1st the Trustee shall, in so far as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to redemption of Series A bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may do either or both of the following: (1) Deliver to the Trustee for cancellation on or before the date required for such deposit available bonds of Series A, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than the current redemption price (exclusive of accrued interest) for such bonds specified in this Section, and (2) appropriate on or before the date required for such deposit net bondable expenditures for property additions, net bondable expenditures so appropriated to be credited against such sinking fund payment at sixty per cent. (60%) of their amount.

In the event that any available bonds be delivered to the Trustee as aforesaid there shall also be filed with the Trustee a certificate signed and verified by the Treasurer or an Assistant Treasurer of the Company stating the amount or amounts paid by it for such bonds.

In the event that any net bondable expenditures be so appropriated, their appropriation shall be evidenced by the filing with the Trustee of a certificate of net bondable expenditures for property additions dated as of a date within thirty (30) days of the date of such appropriation and if there be included in such certificate any new gross expendi-