

MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

permitted by, and when adequately secured in accordance with, the regulation of the Board of Governors of the Federal Reserve System, none of the moneys paid to or deposited with the Trustee shall be intermingled with other funds of the Trustee.

SECTION 12.02. Subject to the provisions of Section 12.06, the Company, while not in default, may cause the Trustee to apply in the manner prescribed by Section 12.05 any moneys paid to or deposited with it pursuant to Sections 8.11, 8.14, 9.02 and 11.04 to the redemption of bonds outstanding hereunder, apportioning the moneys so to be used for redemption among bonds of all series then outstanding in the manner set forth in Section 12.05. No such application shall be made unless the Trustee shall have received a resolution authorizing such redemption and an order of the Company requesting that such application be made and stating that the Company is not in default hereunder.

SECTION 12.03. Subject to the provisions of Sections 12.04 and 12.06, the Company, while not in default hereunder, may:

(a) withdraw any moneys to which reference is made in Section 12.02 to reimburse itself for 100% of net bondable expenditures made by it for property additions as evidenced by the certificate of net bondable expenditures for property additions to which reference is hereinafter made;

(b) cause the Trustee to apply any moneys referred to in (a) above to the payment, purchase or redemption of bonds outstanding hereunder of such one or more series as the Company may elect;

provided, however, that none of such moneys shall be so withdrawn or so applied later than two years after the date of their deposit with the Trustee.

No withdrawal or application of moneys under any of the provisions of this Section shall be made unless the Trustee shall have received an order of the Company dated, in the case of moneys to be withdrawn under (a) above, as of a date within thirty (30) days of such withdrawal, and, in the case of moneys to be applied under (b) above to the redemption of bonds, not earlier than ten (10) days prior to the earliest date on which the first notice by publication of the redemption of the series of bonds to be redeemed is permitted to be given, and, in the case of moneys to be applied under (b) above to the payment or purchase of bonds, not earlier than thirty (30) days prior to such payment or purchase, stating that the Company is not in default hereunder and that such withdrawal or application is not prohibited by the provisions of Sections 12.04 or 12.06.

In the case of moneys to be withdrawn against net bondable expenditures pursuant to (a) above, there shall also be delivered to the Trustee a certificate of net bondable expenditures for property additions dated as of a date within sixty (60) days of the date of such withdrawal, together with, if there be included in such certificate any new gross expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05.

In the case of moneys to be applied to the payment, purchase or redemption of bonds pursuant to (b) above, such order of the Company shall specify the series of bonds to be paid, redeemed or purchased and the purchase price or maximum purchase price of any to be purchased, and shall be accompanied by a resolution authorizing such payment, redemption or purchase and by moneys sufficient to pay the excess, if any, of the aggregate of the payment, redemption or purchase prices of such bonds (including interest to date of payment, redemption and purchase) over their aggregate principal amount, together also with the amount of the charges which will be due the Trustee and the amount of the expenses which it will incur in connection with such payment, redemption or purchase.

No bonds shall be purchased under (b) above at a price in excess of the least of: (1) the current optional redemption price of such bonds plus accrued interest or, if they be not then redeemable at the option of the Company, 113 3/4% of their principal amount plus accrued interest; (2) the current market price of such bonds, if there be a market