

MORTGAGE RECORD—X

SKAMANIA COUNTY, WASHINGTON

PIONEER, INC., TACOMA—177183

depreciation and retirement of property or to utility plant acquisition adjustments or to any reserve for the purpose of ultimately disposing of utility plant acquisition adjustment;

(C) the cost of reacquisition (inclusive of capital distributions on common stock) not charged to earned surplus, subsequent to June 30, 1947, of its common stock.

Section 40. The Company covenants that, so long as any of the bonds of the First Series shall remain Outstanding, it will, on or before June 1, 1958, and on or before June 1 of each year thereafter, to and including the year 1977, deliver to (or deposit with) the Corporate Trustee:

(A) An Officers' Certificate which shall state:

(a) the greatest principal amount of all bonds of the First Series prior to January 1 of such year at any one time Outstanding;

(b) the aggregate principal amount of all bonds of the First Series retired prior to the date of such Officers' Certificate pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 hereof by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 hereof;

(c) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the First Series) shall have been waived prior to the date of such Officers' Certificate pursuant to the provisions of clause (c) of subdivision (4) of Section 59 hereof as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 hereof as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of property;

(d) the amount remaining after deducting the sum of the amounts stated pursuant to clauses (b) and (c) above from the amount stated pursuant to clause (a) above;

(e) one per centum (1%) of the amount required to be stated by clause (d) above in the Officers' Certificate due on or before June 1 in each of the years 1958 to 1977 (both inclusive) pursuant to the provisions of this Section; and

(f) an aggregate principal amount of bond(s) or fraction of a bond to the authentication and delivery of which the Company shall then be entitled on the basis of Property Additions or on the basis of the retirement of bonds of the First Series by virtue of compliance with all applicable provisions of this Indenture (except as hereinafter in this Section otherwise provided) if the Company elects to make its right to the authentication and delivery of such bond(s) or fraction of a bond the basis of a credit under this Section,

(B) An amount in cash and/or principal amount of bonds of the First Series equivalent to the amount stated in the Officers' Certificate (due on or before June 1 of such year) provided for by this Section pursuant to the requirements of clause (e) of subdivision (A) of this Section; provided, however, that, against the amount of cash or bonds payable or deliverable pursuant to this paragraph (B), there shall be credited the principal amount of the bonds which shall be stated in such Officers' Certificate pursuant to the requirements of clause (f) of subdivision (A) of this Section.

Such cash together with any bonds delivered to the Corporate Trustee under the provisions of this Section shall be dealt with as provided for by this Section.

Notwithstanding any other provisions of this Indenture, (i) the Company shall be