

ARTICLE TWO.

EXECUTION, AUTHENTICATION, REGISTRATION AND EXCHANGE OF BONDS.

SECTION 2.01. Save as is herein provided in respect of temporary, mutilated, lost, destroyed or stolen bonds and in respect of transfers and exchanges, bonds may be issued hereunder to the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000) and no more. This Indenture shall be a continuing lien to secure the full and final payment of the principal and interest of all bonds executed, authenticated and delivered pursuant to the terms hereof.

SECTION 2.02. There is hereby created and authorized an issue of bonds in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000), said bonds to bear interest at the rate of five and one-half per cent (5½%) per annum, designated as First Mortgage 5½% Bonds. The said bonds shall be issued as coupon bonds in the denomination of One Thousand Dollars (\$1,000) each, numbered M-1 and consecutively upwards, registrable as to principal only, and/or as fully registered bonds in the denomination of One Thousand Dollars (\$1,000), or any multiple of One Thousand Dollars (\$1,000) specified in any order for the authentication thereof, numbered R-1, and consecutively upwards without regard to denomination.

The principal of each bond and the interest thereon shall be payable at the office of the Spokane and Eastern Branch of Seattle-First National Bank, or of its successor in trust under this Indenture, in the City of Spokane, Washington, in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Coupon bonds of the said issue shall be dated May 1, 1953, and fully registered bonds of the said issue shall be dated as of the interest payment date on which interest was paid next preceding the date of issue, unless (a) issued on an interest payment date on which interest was paid, in which case they shall be dated as of the date of issue, or (b) issued prior to the occurrence of any interest payment date, in which case they shall be dated as of May 1, 1953. All bonds shall be expressed to mature on May 1, 1968,