

modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, and a Sixth Supplemental Indenture dated as of December 1, 1960 (said seven instruments being herein collectively called the Indenture) all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before December 1, 1961 - 5.00%
Thereafter and on or before December 1, 1962 - 4.80%
Thereafter and on or before December 1, 1963 - 4.60%
Thereafter and on or before December 1, 1964 - 4.40%
Thereafter and on or before December 1, 1965 - 4.20%
Thereafter and on or before December 1, 1966 - 4.00%
Thereafter and on or before December 1, 1967 - 3.80%
Thereafter and on or before December 1, 1968 - 3.60%
Thereafter and on or before December 1, 1969 - 3.40%