

betterments upon property owned by it or of permanent extensions or new property actually acquired by the Telephone Company after the date hereof, which shall at the time be subject hereto.

The Trustee shall certify and deliver bonds under the provisions of the last preceding paragraph upon the delivery to it of resolutions from time to time adopted by the Board of Directors of the Telephone Company, showing that the conditions exist, under the provisions of the last preceding paragraph, which entitle it to receive bonds as therein provided. Said resolutions shall set forth the particulars showing the existence of such conditions, and shall show the aggregate amount of the actual disbursements of the Telephone Company in respect of which it may be entitled to receive bonds and for what purposes such disbursements were made and the period covered thereby, and shall set forth that no bonds of the issue hereby secured have been certified or delivered by the Trustee on account of the disbursements or any thereof in said resolution referred to: The delivery of a copy of such resolution, or of any resolution in this mortgage or deed of trust provided for, certified to be correct by the Secretary of the Telephone Company, with the corporate seal of the Telephone Company affixed thereto, shall be full and complete authority to the Trustee to deliver bonds of said issue to the Telephone Company in accordance with the provisions of this mortgage or deed of trust. The Trustee shall not incur any liability or responsibility whatever by certifying and delivering said bonds.

ARTICLE FOUR

REGISTRATION OF BONDS.

The Trustee at its office in City of Portland, Multnomah County, Oregon, shall keep a sufficient register of bonds issued hereunder, which register at all reasonable times shall be open to the inspection of the Company, and upon presentation for such purpose the Trustee will, under such reasonable regulations as it may prescribe, register therein any bonds issued under the provisions hereof. Upon presentation of any such registered bond, together with a written power to transfer the same, executed by the registered holder for the time being, in form approved by the Company, such bond shall be transferred upon such register. The registered holder of any such bond shall also have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored; but any such bond registered as payable to bearer may be registered again in the name of the holder with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired; and each registration shall be noted by the Trustee on the bond. Registration of any bond shall not restrain the negotiability of any coupon thereof, but every coupon shall continue to pass by delivery and shall remain payable to bearer.

ARTICLE FIVE.

DESTRUCTION OF BONDS

In case any bond issued hereunder, with the coupons thereunto attached, shall become mutilated, lost or destroyed, the Company in its discretion may issue, and thereupon the Trustee in its discretion may certify and deliver a new bond of like tenor, amount and date, including coupons, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond and its coupons, or upon receipt of evidence satisfactory to the Company and Trustee of the loss or destruction of such bond and of its coupons; and upon receipt also of indemnity satisfactory to the Company and Trustee; and the Company may charge for the issue of such new bond an amount sufficient to reimburse it for the expense incurred by it in the issue thereof.

ARTICLE SIX

WARRANTY OF TITLE.

The Telephone Company shall and will warrant and defend the title and the right of