

SECTION 4. AS TO ALL BONDS REGISTERED AS TO PRINCIPAL, THE PERSON IN WHOSE NAME THE SAME SHALL HAVE BEEN REGISTERED SHALL BE DEEMED TO BE THE OWNER THEREOF AND PAYMENT OF OR ON ACCOUNT OF THE PRINCIPAL OF SUCH BOND SHALL BE MADE ONLY TO OR UPON THE ORDER OF SUCH REGISTERED HOLDER THEREOF. ALL SUCH PAYMENTS SHALL BE VALID AND EFFECTUAL TO SATISFY AND DISCHARGE THE LIABILITY EVIDENCED BY SAID BONDS TO THE EXTENT OF THE SUMS SO PAID THEREON. THE COMPANY AND THE SAID TRUSTEE, LUMBERMENS TRUST COMPANY, MAY TREAT THE BEARER OF ANY COUPON AND THE BEARER OF ANY BOND WHICH SHALL NOT AT THE TIME BE REGISTERED AS THE OWNER THEREOF FOR ALL PURPOSES WHATSOEVER, WHETHER SAID BONDS AND COUPONS BE OVERDUE, OR NOT, AND NEITHER THE COMPANY NOR THE TRUSTEES SHALL BE AFFECTED BY ANY NOTICE TO THE CONTRARY.

SECTION 5. IN CASE ANY BOND OR COUPON ISSUED HEREUNDER SHALL BECOME MUTILATED, LOST OR DESTROYED, THE COMPANY IN ITS DISCRETION MAY ISSUE AND THE TRUSTEE, LUMBERMENS TRUST COMPANY, IN ITS DISCRETION MAY CERTIFY AND DELIVER A NEW BOND OR COUPON OF LIKE TENOR, AMOUNT AND DATE, HAVING THE SAME SERIAL NUMBER, IN EXCHANGE AND SUBSTITUTION FOR THE MUTILATED, LOST OR DESTROYED BOND OR COUPON. IT SHALL BE COMPETENT FOR THE COMPANY AND THE SAID TRUSTEE OR TRUSTEES TO DEMAND EVIDENCE SATISFACTORY TO EACH OF THEM OF SUCH LOSS OR DESTRUCTION AND IT SHALL ALSO BE COMPETENT FOR THEM TO DEMAND INDEMNITY WHICH THEY MAY DEEM ADEQUATE TO THEIR PROTECTION.

ARTICLE II

COVENANTS OF THE COMPANY.

SECTION 1. THE COMPANY COVENANTS THAT IT WILL DULY AND PUNCTUALLY PAY TO THE OWNER OF EVERY BOND ISSUED HEREUNDER AND SECURED HEREBY THE PRINCIPAL AND INTEREST ACCRUING THEREON IN UNITED STATES GOLD COIN OR ITS EQUIVALENT IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA AT THE DATES, AT THE PLACE AND IN THE MANNER STATED IN THE SAID BONDS AND COUPONS. SO FAR AS THE COMPANY LAWFULLY MAY WITHOUT PREJUDICE TO ANY OF THE RIGHTS OF THE HOLDERS OF SAID BONDS OR COUPONS, THE COMPANY WILL PAY THE SAME WITHOUT DEDUCTION FOR ANY TAXES OR GOVERNMENTAL CHARGES WHICH MAY BE IMPOSED THEREON BY ANY PRESENT OR FUTURE LAW OF THE UNITED STATES OR OF ANY STATE OR OF ANY SUBDIVISION OF ANY STATE, EXCEPT ESTATE OR INHERITANCE TAXES AND INCOME TAXES ON THE INTEREST OF SAID BONDS, BUT THE COMPANY WILL PAY THE NORMAL FEDERAL INCOME TAX UPON SAID INTEREST, NOT EXCEEDING A RATE OF TWO (2) PER CENT PER ANNUM, WHICH MAY UNDER ANY EXISTING OR FUTURE ACT OF CONGRESS BECOME PAYABLE TO THE UNITED STATES BY ANY HOLDER OF SAID BONDS.

SECTION 2. THE COMPANY COVENANTS THAT IT IS THE OWNER IN FEE SIMPLE OF THE REAL PROPERTY HEREBY CONVEYED AND THAT IT IS THE ABSOLUTE AND INDEFEASIBLE OWNER OF THE PERSONAL PROPERTY HEREBY TRANSFERRED AND ASSIGNED, THAT IT HAS GOOD RIGHT, FULL POWER AND LAWFUL AUTHORITY TO CONVEY, MORTGAGE, PLEDGE AND ASSIGN THE SAME IN THE MANNER AND FORM HEREIN DONE OR INTENDED TO BE DONE, AND THAT IT FOREVER WILL WARRANT AND DEFEND THE TITLE TO THE PREMISES CONVEYED, ASSIGNED AND PLEDGED HEREBY TO THE TRUSTEES AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

SECTION 3. THE COMPANY COVENANTS THAT IT WILL CAUSE THIS INSTRUMENT TO BE DULY AND PROPERLY FILED FOR RECORD IN THE OFFICE OF THE COUNTY AUDITOR OF CLARKE AND SKAMANIA COUNTIES, WASHINGTON, AND IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES, COUNTY, CALIFORNIA, BOTH AS REAL ESTATE AND AS CHATTEL MORTGAGES WILL ALL CONVENIENT SPEED AND THAT IT WILL HEREAFTER CAUSE TO BE DULY AND PROPERLY