

by the payment of the principal amount of each bond with accrued interest. The bonds shall be called and redeemed by lot in such manner as the Trustee may in its discretion determine. All bonds so redeemed shall be cancelled by the Trustee and delivered to the Mortgagor. The Trustee shall give notice of such redemption by publication in a newspaper of general circulation published at Portland, Oregon, of the numbers of the bonds so called for redemption and of the date fixed for redemption thereof, such publication to be once a week for two (2) successive weeks, the first publication to be at least thirty (30) days prior to the date so fixed for redemption.

If, after any bond or bonds have been called for redemption as aforesaid, the same shall not be presented for redemption and redeemed on the date fixed therefor in the notice of redemption, the Trustee shall, from the funds held by it for redemption of bonds, obtain a sum of money as aforesaid equal to the amount payable for the redemption of said bond or bonds as hereinabove provided, which amount shall be in full payment of said bond or bonds and all interest thereon as between the Mortgagor and the holder of said bond or bonds and thereupon and thereafter the said bond or bonds and interest thereon shall be excluded from participation in the lien and security afforded by these presents, and the holder of said bond or bonds shall look for the payment of said bond or bonds and interest thereon solely to the money so retained and the money so retained shall be held by the said Trustee to the credit of and for the payment of said bond or bonds, and shall be paid by said Trustee to the holder of said bond or bonds upon the presentation and delivery to it of such bond or bonds together with all the outstanding interest coupons thereto belonging.

Section 4. All bonds so redeemed by the Trustee shall be cancelled and delivered to the Mortgagor.

ARTICLE III

Form Mode of Execution and Delivery of Bonds

Section 1. The bonds herein secured together with the interest coupons thereto attached shall be substantially of the tenor and purport as above recited herein, and shall be known as Wauna Lake Seven Per Cent First Mortgage Bonds, and shall be of denominations of fifty (\$50.00) Dollars, and One Hundred (\$100.00) dollars as above recited. Said bonds shall forthwith be executed on behalf of the Mortgagor by its president and its corporate seal shall be thereunto affixed and attested by its secretary. The coupons to be attached to said bonds shall be authenticated by the engraved or lithographed facsimile signature of the treasurer of the Mortgagor. In case the officers who shall have signed and sealed any of said bonds shall have ceased to be such officers before the bonds so signed and sealed shall have been certified to by the Trustee, such bonds shall, nevertheless, be issued, certified and delivered as if the person who signed and sealed such bonds had not ceased to be such officers, and the validity of said bonds and/or coupons shall not be impaired by reason of such change of officers of the Mortgagor.

Section 2. The identity of each of the bonds shall be evidenced by a certificate endorsed thereon by the Portland Trust and Savings Bank, Trustee. No bond aforesaid shall become or be binding or obligatory or entitled to any security under this instrument, unless and until authenticated as one of said bonds by the certificate thereon of said Trustee. The amount of bonds hereby secured which may be executed, and which may be certified, is limited so that never, at any time, shall there be outstanding bonds hereby secured for an aggregate principal greater than Thirty Thousand (\$30,000.00) Dollars. Before certifying and delivering any bonds hereby secured, the Trustee shall detach and cancel all coupons attached thereto that have theretofore matured.

Section 3. In case any bond issued hereunder, with the coupons thereto appertaining,