

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

Indenture to be delivered to the Trustees or the corporate Trustee as a condition of the granting of such application may be received by the Trustees or the corporate Trustee as conclusive evidence of any statement therein contained and shall be full warrant, authority and protection to the Trustees or the corporate Trustee acting on the faith thereof, not only in respect of the statements of fact therein made, but also in respect of the opinions therein set forth. Before granting any such application, the Trustees or the corporate Trustee, as the case may be, shall not be under any duty to make any further investigation into the matters evidenced by any such resolution, certificate, statement, opinion, evidence, report, order or other paper, but if requested in writing so to do by the holders of at least 25% in amount of the Bonds then outstanding and if furnished with security and indemnity satisfactory to them or it against the costs and expenses of such investigation, the Trustees or the corporate Trustee shall make such further investigation as to them or it may seem proper but they or it may in their or its discretion make any such independent inquiry or investigation as they or it may see fit. If the Trustees or the corporate Trustee shall determine, or shall be requested as aforesaid, to make such further inquiry, they or it shall be entitled to examine the books, records and premises of the Company, either themselves or itself or by agent or attorney and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in such resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers, they or it shall be under no obligation to grant the application. If, after such examination or other inquiry, the Trustees or the corporate Trustee shall determine to grant the application, they or it shall not be liable for any action taken in good faith. The reasonable expenses of every such examination shall be paid by the Company, or, if paid by the Trustees or the corporate Trustee, shall be repaid by the Company, upon demand with interest at the rate of 6% per annum, and until such repayment shall be secured by a lien on the mortgaged property and the proceeds thereof prior to the lien of the Bonds and coupons.

ARTICLE TWO

THE BONDS

SECTION 3. The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the corporate Trustee and be secured by this Indenture and outstanding at any one time shall not, in any event, exceed the amount at the time permitted by law, or the then limit of indebtedness of the Company, if any, as fixed from time to time in accordance with law, but otherwise is not limited; provided, however, that the aggregate principal amount of Bonds which may be so executed, authenticated and delivered hereunder may, at any time, at the election of the Company, evidenced by an instrument supplemental hereto executed by the Company and delivered to the corporate Trustee, reciting that it is authorized by resolution adopted by a majority of the Board of Directors of the Company, be limited to such definite principal amount as may be specified in such instrument; and this Indenture creates a continuing lien to secure the full and final payment of the principal of and of the interest on all Bonds which may from time to time be executed, authenticated and delivered hereunder.

SECTION 4. The Bonds issuable under this Indenture may be issued in series and from time to time shall be authorized by the Board of Directors of the Company; and shall be issued as Coupon Bonds.

SECTION 5. The Bonds of all series shall be known and entitled generally as the "First Mortgage Bonds" of the Company. With respect to the Bonds of any particular series, the Company may add to or incorporate in the general title of such Bonds as the same may appear in the heading thereof, and in the coupons thereto attached, the rate of interest borne by