

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

destroyed bond and coupon shall have matured, or be about to mature, insead of issuing a substituted bond and coupon the Company may pay the same without surrender thereof. The applicant for such payment or for a substituted bond and coupons shall furnish to the Company and the Corporate Trustee evidence satisfactory to both of them in their discretion of the loss, theft or destruction of such bond and coupons alleged to have been lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, lost, stolen or destroyed bond and/or coupons, and also indemnity in a sum deemed by the Company and the Corporate Trustee sufficient to cover all possible risk however remote, having as surety thereon a surety company satisfactory to the Company and the Corporate Trustee; and shall pay all expenses and charges of such substitution, payment or exchange. Any indemnity bond shall name as obligees the Company, and the Trustees. The Corporate Trustee may authenticate any such substituted bonds and deliver the same with appurtenant coupons, or the Corporate Trustee may make such payment, upon the written request or authorization of any officer of the Company, and shall incur no liability to anyone by reason of anything done or omitted to be done by it in good faith under the provisions of this section. All bonds issued under this indenture are held and owned upon the express condition that the provisions of this Section 11 are exhaustive and shall exclude all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

Any such duplicate bond and coupons issued pursuant to this section shall constitute original additional contractual obligations on the part of the Company, whether or not the lost or stolen bonds and coupons be at any time found by anyone, and shall be equally secured hereby and entitled to equal and proportionate benefits with all other bonds and coupons issued hereunder in any moneys or property at any time held by the Trustees for the benefit of the bondholders.

ARTICLE II

Issue and Appropriation of Bonds.

Section 1. Bonds of the $4\frac{1}{8}\%$ Series, due 1958, described in Section 3 of Article I hereof, in the aggregate principal amount of \$400,000, shall forthwith be executed by the Company and authenticated by the Corporate Trustee and delivered, without the filing or recording thereof, in accordance with the order of the Company evidenced by a writing signed by its President or Vice-President and its Treasurer or Assistant Treasurer.

Section 2. Additional bonds of the $4\frac{1}{8}\%$ Series, due 1958, or of any other authorized series, may be executed by the Company and authenticated and delivered by the Corporate Trustee, to the extent in the aggregate principal amount of sixty-five per cent (65%) of the actual cost or fair value, whichever is less, of net property additions made by the Company after December, 31, 1938, provided the earnings of the Company available for interest for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the date of the application for the authentication and delivery of such bonds shall have been at least two times the sum of the annual interest charges of the Company (a) on all bonds outstanding under this indenture, (b) on ^{the} bonds/authentication of which shall at the time be requested, (c) on all bonds or liens, if any, subject to the lien of which such property additions were acquired, and (d) on all other interest bearing obligations, for the purposes of this Section 2 of Article II.

(a) Actual cost of property additions shall be deemed to be (1) the actual amount paid in cash therefor and properly chargeable to capital account, and (2) the fair market value, or if there be no market value, the fair value in cash of any securities issued or