

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

of said bonds or coupons, the applicant for a substituted bond shall furnish to the Company and the Corporate Trustee, evidence of the loss or destruction of such bonds or coupons satisfactory to the Company and the Corporate Trustee, and shall also furnish indemnity satisfactory to the Company and to the Corporate Trustee. Any such applicant shall pay to the Corporate Trustee for the account of the Company the cost of printing or engraving such substituted bonds and coupons, and in addition thereto the reasonable charges of the Corporate Trustee for its services in connection with the issue thereof. No such execution, authentication, delivery or issue of any such bond or coupons shall be held to be a violation of the provisions of Sections 1 and 4 of this Article I.

(b) Issue and Appropriation of Bonds.

Section 11. The first series of bonds to be issued hereunder shall be known as the "4% Series due 1964", and shall be substantially in the form and of the tenor and purport hereinbefore recited. The bonds of said 4% Series due 1964 to be issued hereunder shall be dated March 1, 1939, irrespective of the date of actual execution and issue thereof, shall mature on March 1, 1964, shall be subject to redemption upon the notice, terms and conditions herein provided, and shall be issued as coupon bonds in the denomination of \$1,000, numbered from M-1 consecutively upwards, and in the denomination of \$500, numbered from D-1 consecutively upwards, and shall be registerable as to principal and exchangeable as in said form hereinbefore recited and elsewhere in this Indenture provided; shall bear interest at the rate of four per cent (4%) per annum, payable semi-annually on March 1 and September 1 of each year, and the principal shall be payable at the California-Montgomery Branch of the Corporate Trustee in San Francisco, California, or, at the option of the holder, at the office of Irving Trust Company in the Borough of Manhattan, City and State of New York, in legal tender money of the United States of America and the interest shall be payable in like money at said office of the Corporate Trustee or, at the option of the holder, at said office of Irving Trust Company.

The provisions of Section 12 of this Article, authorizing the authentication and delivery of Three Million Eight Hundred Thousand Dollars (\$3,800,000) face value of bonds of the 4% Series due 1964, shall not be construed to prevent the issue under this Indenture of additional bonds of said Series.

Section 12. Bonds of the 4% Series due 1964 of the aggregate face value of Three Million Eight Hundred Thousand Dollars (\$3,800,000) shall forthwith be executed by the Company and delivered to the Corporate Trustee, and shall be authenticated by the Corporate Trustee and delivered to the Company from time to time, in accordance with the order or orders of the Company, evidenced by a writing or writings signed by its President or a Vice President.

Section 13. (a) The remaining Six Million Two Hundred Thousand Dollars (\$6,200,000) face value of bonds authorized to be issued hereunder and secured hereby (hereinafter sometimes called "remaining bonds") may be issued as additional bonds of the 4% Series due 1964, or of such other series as may be hereafter created pursuant to the provisions of this Indenture, and from time to time may be executed by the Company, authenticated by the Corporate Trustee and delivered to the Company pursuant to its order, in principal amount or amounts not exceeding in the aggregate (i) sixty-five per cent (65%) of the cost to the Company or the fair value at the time of the purchase, acquisition or construction, should such fair value be less than such cost, of new property (as hereinafter in this section defined) purchased, acquired or constructed subsequent to January 1, 1939 and/or (ii) sixty-five per cent (65%) of the cost of permanent additions, (as hereinafter in this