

MORTGAGE RECORD—V
SKAMANIA COUNTY, WASHINGTON

147

debenture bond shall be restored, but said debenture bonds may again be registered in the name of the holder and successive registrations in the name of the registered holder or bearer may be made from time to time as desired, any and all of which registrations shall be noted by the Trustee on the debenture bond. Notwithstanding any registration of a debenture bond, the coupons attached thereto shall pass by delivery and shall continue to be payable to bearer.

Section 5. The person in whose name any debenture bonds shall have been registered shall be deemed the owner thereof and payment of or on account of the principal of any such debenture bonds shall be made only to or upon the order of such registered holder. The bearer of any coupon or of any debenture bond which shall not at the time be registered shall be treated as the owner thereof for any and all purposes whatsoever, whether said debenture bonds or coupons be overdue or not.

Section 6. The Company may in its discretion issue, and the Trustee may in its discretion certify and deliver a new debenture bond or coupon in exchange or substitution for a mutilated, lost or destroyed debenture bond or coupon, of like tenor, amount and date and with the same serial number. The Company or the Trustee may at any time demand evidence of such loss or destruction and adequate indemnity for protection in the issuance of new debenture bond or coupon, satisfactory to the Trustee.

ARTICLE 11.

Covenants.

Section 1. The Company covenants that it will duly and punctually pay the principal and interest of every debenture bond, issued hereunder and secured hereby, in lawful money of the United States, at the dates and in the amounts and subject to the conditions herein, and in the debenture bonds and coupons stated, and at the place stated therein.

Section 2. The Company covenants that during the period until said loan from the Reconstruction Finance Corporation is paid, it will pay as earned, out of net earnings, interest on said debenture bonds at not more than the rate of two (2) per cent per annum from October 1, 1935, payable annually on October 1st, provided that during said period interest not earned in any annual period beginning October 1, 1935, shall not be paid, and that after said loan from the Reconstruction Finance Corporation has been paid that it will pay, as earned, out of net earnings, interest on said debenture bonds at the rate of 2% per annum on October 1st of each year, if earned, until the full amount of all of said debenture bonds has been paid, and any such interest not earned and paid on any October 1st shall accumulate until paid; that until said Reconstruction Finance Corporation loan has been paid, it will not declare, distribute, nor pay any dividends on its capital stock, nor purchase or retire any of its capital stock, or issue any additional shares of stock, or make any advances directly or indirectly by way of loan, gift, bonus, commission, or otherwise, to any of its officers, directors, or employees, without prior written consent of the Reconstruction Finance Corporation, nor will it thereafter, while any of said debenture bonds are outstanding and unpaid, declare, distribute or pay any dividends on its capital stock, except after all service of such debenture bonds has been complied with, including interest at the rate of 2% per annum, out of net earnings, if earned, payable annually on October 1st, for the period following payment in full of the Reconstruction Finance Corporation loan, and has accumulated adequate operating capital, and has paid into the redemption fund with the trustee not less than Fifty (50) per cent of its net earnings for such calendar year, and after these said debenture bonds have become first mortgage bonds, then and thereupon said dividends may be declared not in excess of Fifty (50c) Cents