PIONEER, INC., TACOMA—156769

No exchange shall be made as aforesaid except for a bond or bonds of the same series and maturity.

Any charge made for exchange of bonds as herein provided shall not exceed One Dollar ($1.00) per One Thousand Dollars ($1,000) for each bond issued, plus any stamp or other governmental charge in connection therewith.

(b) Registered bonds without coupons may be issued in the denominations of One Thousand Dollars ($1,000) and any multiple or multiples of One Thousand Dollars ($1,000) that the Company may determine to issue. The bearer of any coupon bond unregistered as to principal, at his option, may surrender the same, with all unmatured coupons thereto appertaining, to the Corporate Trustee for cancellation, in exchange for the registered bond or bonds without coupons, of the same series and maturity, of the denomination of One Thousand Dollars ($1,000) or such multiple of One Thousand Dollars ($1,000) as the Company may determine to issue but having an aggregate principal amount equal to the aggregate principal amount of the coupon bond so surrendered, bearing interest from the next preceding interest date (unless issued on an interest payment date, and, in that event, bearing interest from such date), and upon payment, if the Company shall so require, of the charge therefor as hereinafter provided, and the Company shall execute and deliver to the Corporate Trustee and the Corporate Trustee shall authenticate and deliver in exchange therefor a registered bond or bonds of the required principal amount; and in like manner registered bonds, without coupons, may, at the option of the registered owner thereof, be surrendered to the Corporate Trustee together with the written instrument of transfer in the form approved by the Company, duly executed by the registered owner, in exchange for coupon bonds, of the same series and maturity, of the denomination of One Thousand Dollars ($1,000) each, but of the same aggregate principal amount, having attached thereto all unmatured coupons thereto appertaining.

Upon every such exchange of bonds the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange, and in addition thereto, may charge a sum not exceeding Two Dollars ($2.00) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange.

The Company shall not be obligated to make exchanges of bonds for a period of ten (10) days next preceding any interest payment date.

The Corporate Trustee, upon receipt of funds sufficient for the payment of interest accruing on any interest payment day upon all bonds outstanding hereunder, shall mail or cause to be mailed checks for such interest, as and when the same becomes due and payable upon their respective bonds, to all owners of registered bonds without coupons, directed to their last addresses as shown on the books of registration in respect of such bonds.

For all registered bonds without coupons there shall be reserved serial numbers of coupon bonds of the same series of an aggregate principal amount equal to the aggregate principal amount of such registered bonds without coupons, and whenever any registered bonds without coupons shall be issued under and secured by this Indenture there shall be stated in a legend endorsed thereon the said reserved serial number or numbers of coupon bonds. Such serial number or numbers may be expressed in entire groups of all numbers between or including specified numbers or in any other reasonable manner as the Corporate Trustee in its discretion may determine.

In case of redemption of a part only of the bonds of any series, as provided in Section 2 of Article V hereof, in the selection of the bonds to be redeemed, each registered bond without coupons shall be represented by the reserved serial numbers of the coupon bonds in respect to each registered bond without coupons."