

EXHIBIT C

Form of Bond Purchase Agreement

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NORTHWEST NATURAL GAS COMPANY

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BOND PURCHASE AGREEMENT

\_\_\_\_\_

DATED \_\_\_\_\_, 2018

\$50,000,000 First Mortgage Bonds, \_\_\_\_% Series Due 20\_\_

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(Not a part of the Agreement)

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**NORTHWEST NATURAL GAS COMPANY  
220 N.W. SECOND AVENUE  
PORTLAND, OREGON 97209**

\$50,000,000 First Mortgage Bonds, \_\_\_\_% Series Due 20\_\_

\_\_\_\_\_, 20\_\_

To Each of The Purchaser(s) Listed In  
The Attached Schedule A:

Ladies and Gentlemen:

Northwest Natural Gas Company, an Oregon corporation (the “*Company*”), agrees with the institutional investors listed in the attached Schedule A (the “*Purchasers*”) to this Bond Purchase Agreement (this “*Agreement*”) as follows:

SECTION 1. AUTHORIZATION OF BONDS.

*Section 1.1. Authorization of the Bonds.* The Company has authorized the issue and sale of \$50,000,000 aggregate principal amount of its First Mortgage Bonds, \_\_\_\_% Series Due 20\_\_ (the “*Bonds*”). The Bonds will be issued under and in accordance with the Mortgage and Deed of Trust, dated as of July 1, 1946 (the “*Original Mortgage*”), executed and delivered by Portland Gas & Coke Company (now Northwest Natural Gas Company) to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as corporate trustee (the corporate trustee hereinafter called the “*Trustee*”), as amended and supplemented by various supplemental indentures and other instruments including the Twenty-third Supplemental Indenture, to be dated as of a date within thirty (30) days prior to the issuance of the Bonds (such Twenty-third Supplemental Indenture being hereinafter called the “*Supplemental Indenture*,” and the Original Mortgage, as so amended and supplemented (including by the Supplemental Indenture) being hereinafter called the “*Mortgage*”). The Bonds shall be substantially in the form set out in Exhibit A to the Supplemental Indenture, with such changes therefrom, if any, as may be approved by the Purchasers and the Company. Certain capitalized and other terms used in this Agreement are defined in Schedule B to this Agreement and references to a “*Schedule*” or an “*Exhibit*” are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

*Section 1.2. Description of the Bonds.* The Bonds shall be dated the date of authentication in accordance with the Mortgage (the “*Issue Date*”), shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof from the date of issuance at the rate of \_\_\_\_% per annum, payable on each Interest Payment Date, commencing with the first Interest Payment Date (as defined in the Supplemental Indenture) occurring after the Issue Date, until such principal sum shall have been paid (whether at maturity, upon redemption or otherwise).

SECTION 2. SALE AND PURCHASE OF BONDS.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Bonds in the principal amount specified opposite such Purchaser's name in Schedule A to this Agreement at the purchase price of 100% of the principal amount thereof. The obligations of each Purchaser hereunder are several and not joint obligations and each Purchaser shall have no obligation and no liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

SECTION 3. CLOSING.

The sale and purchase of the Bonds to be purchased by each Purchaser shall occur at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178. The closing for the sale and purchase of the Bonds (the "Closing") shall take place at 10:00 a.m., New York time, on \_\_\_\_\_, 2018 or such other Business Day thereafter on or prior to \_\_\_\_\_, 2018 as may be agreed upon by the Company and the Purchasers. At the Closing, the Company shall cause to be duly executed, authenticated and delivered to each Purchaser the Bonds to be purchased by such Purchaser in the form of a single Bond (or such greater number of Bonds in denominations of at least \$100,000 and, at the option of the Company, in any multiple or multiples of \$1,000, as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer to the bank account of the Company specified in the funding instructions letter provided pursuant to Section 4.13 of this Agreement. If at the Closing the Company shall fail to tender Bonds to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's satisfaction, such Purchaser shall, at such Purchaser's election, be relieved of all further obligations under this Agreement with respect to such Bonds, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

If at the Closing any Purchaser shall fail to purchase the Bonds which it is obligated to purchase under this Agreement, the Company shall have the option of terminating its obligation to sell any Bonds only to any such defaulting Purchaser and be relieved of all further obligations under this Agreement only with respect to any such defaulting Purchaser.

SECTION 4. CONDITIONS TO CLOSING.

The obligation of each Purchaser to purchase and pay for the Bonds to be sold to such Purchaser at the Closing is subject to the fulfillment, prior to or at the Closing, of the following conditions:

*Section 4.1. Representations and Warranties.* The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing (as if made at such time).

*Section 4.2. Performance; No Default.* The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing. Before and after giving effect to the issue and sale of the Bonds (and the application of the proceeds thereof as contemplated by Section 5.13), no Default or Event of Default shall have occurred and be continuing.

*Section 4.3. Compliance Certificates.*

(a) *Officer's Certificate.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) *Secretary's Certificate.* The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Bonds, this Agreement and the other Bond Documents to which it is party and (ii) the Company's organizational documents as then in effect.

*Section 4.4. Opinions of Counsel.* Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from MardiLyn Saathoff, Esq., General Counsel for the Company, Stoel Rives LLP, Oregon counsel for the Company, and Morgan, Lewis & Bockius LLP, as special counsel to the Company, substantially in the form set forth in Exhibits 4.4(a) and 4.4(b), respectively, with such changes as such Purchaser may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to such Purchaser) and (b) from Chapman and Cutler LLP, as special counsel for the Purchasers in connection with such transactions, substantially in the form set forth in Exhibit 4.4(c), with such changes as such Purchaser may reasonably request.

*Section 4.5. Purchase Permitted By Applicable Law, Etc.* On the date of the Closing, the purchase of Bonds by each Purchaser shall (i) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (ii) not violate any applicable law or regulation (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof (excluding any of the foregoing that are of general application to the business of a Purchaser). If requested by any Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

*Section 4.6. Sale of All Bonds.* Subject to the last sentence of Section 3, the Company shall have consummated the sale of the entire principal amount of the Bonds scheduled to be sold on the date of the Closing to the Purchasers pursuant to this Agreement.



*Section 4.7. Payment of Special Counsel Fees.* Without limiting the provisions of Section 10.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of Purchasers' special counsel referred to in Section 4.4(b) to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

*Section 4.8. Private Placement Number.* A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners, the "SVO") shall have been obtained for each series of Bonds.

*Section 4.9. Changes in Corporate Structure.* Except as disclosed in or contemplated by the Disclosure Documents in respect of the proposed holding company restructuring, the Company shall not have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.4.

*Section 4.10. Mortgage.* At or prior to the Closing, the Mortgage shall have been duly authorized, executed and delivered by the Company and the Trustee.

*Section 4.11. Execution, Authentication and Delivery of Bonds.* The Bond or Bonds to be purchased by each Purchaser at the Closing shall have been duly authorized, executed and delivered by the Company and duly authenticated and delivered by the Trustee to each such Purchaser and all conditions precedent to the issuance of the Bonds under the Bond Documents shall have been satisfied.

*Section 4.12. Approvals.* The Company shall have furnished to such Purchaser and such Purchaser's special counsel true and correct copies of all certificates, approvals, authorizations and consents necessary for the execution, delivery or performance by the Company of this Agreement, the Bonds, the Supplemental Indenture and the other Bond Documents including, without limitation, the consents and approvals referred to in Section 5.6 hereof.

*Section 4.13. Funding Instructions.* At least three Business Days prior to the date of the Closing, the Purchasers shall have received written instructions executed by a Responsible Officer of the Company directing the manner of the payment of the purchase price of the Bonds to be issued and sold at the Closing and setting forth (a) the name and address of the transferee bank, (ii) such transferee bank's ABA number, (iii) the account name and number into which the purchase price for the Bonds is to be deposited, and (iv) the name and telephone number of the account representative responsible for verifying receipt of such funds.

*Section 4.14. Proceedings and Documents.* All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and such Purchaser's special counsel, and such Purchaser and such Purchaser's special counsel shall have

received all such counterpart originals or certified or other copies of such documents as such Purchaser or such Purchaser's special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

*Section 5.1. Organization; Power and Authority.* The Company is a corporation duly organized and validly existing under the laws of the State of Oregon, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts, to execute and deliver this Agreement, the Bonds and any other Bond Document and to perform the provisions hereof and thereof.

*Section 5.2. Authorization, Etc.* This Agreement, the Mortgage and the Bonds have been duly authorized by all necessary corporate action on the part of the Company, and the Original Mortgage constitutes, and upon execution and delivery thereof this Agreement, the Supplemental Indenture and each Bond will constitute, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a *proceeding* in equity or at law); and the Bonds, when executed and authenticated in accordance with the provisions of the Mortgage and delivered to the Purchasers as contemplated by this Agreement, will be entitled to the benefits of the Mortgage equally and ratably with the other securities issued thereunder.

*Section 5.3. Disclosure.* The Company, through its agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, has delivered to each Purchaser a copy of an Investor Presentation, dated August 2018 (the "*Investor Presentation*") and the Company's Annual Report on Form 10-K for the year ended December 31, 2017, the Company's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018 and June 30, 2018, and the Company's Current Reports on Form 8-K filed with the SEC on March 13, 2018, March 21, 2018, May 30, 2018, June 25, 2018, July 27, 2018 and [\_\_\_\_\_, 2018], each of which has been filed with the SEC under the Exchange Act (this Agreement, the Investor Presentation and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and identified in Schedule 5.3 and such reports, collectively, the "*Disclosure Documents*"). The Disclosure Documents fairly describe, in all material respects and as of their respective dates, the general nature of the business and principal properties of the Company. The Disclosure Documents, taken together, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in or contemplated by the Disclosure Documents, since December 31, 2017,

there has been no change in the financial condition, business, operations or properties of the Company except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

*Section 5.4. Financial Statements.* The financial statements included in the Disclosure Documents (including in each case the related schedules and notes) fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of the respective dates specified in such financial statements and the results of operations and cash flows of the Company and its consolidated Subsidiaries for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in or contemplated by the Disclosure Documents.

*Section 5.5. No Conflict with Laws, Other Instruments, Etc.* The execution, delivery and performance by the Company of this Agreement, the Bonds and any other Bond Document to which the Company is party will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien (other than the Lien of the Mortgage) in respect of any property of the Company or any Material Subsidiary of the Company under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other Material agreement or instrument to which the Company or any Material Subsidiary is bound or by which the Company or any Material Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Material Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Material Subsidiary. The representation by the Company to each Purchaser in subsection (iii) of this Section 5.5 is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.1 as to its purchase for investment and purchaser status.

*Section 5.6. Governmental Authorizations, Etc.* The Public Utility Commission of Oregon (the "OPUC"), has issued an order authorizing the issuance and sale by the Company of the Bonds on the terms set forth in or contemplated by this Agreement and the Mortgage (the "Commission Order"); the Commission Order is in full force and effect as of the date of the Closing; and, except for an informational filing with the Washington Utilities and Transportation Commission, no further consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement, the Bonds or any other Bond Document to which the Company is party; *provided, however*, that the representation by the Company to each Purchaser in the third clause of this Section 5.6 is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.1 as to its purchase for investment and purchaser status.

*Section 5.7. Litigation.* (a) Except as disclosed in or contemplated by the Disclosure Documents, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Material Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws or the USA Patriot Act) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

*Section 5.8. Taxes.* The Company and its Subsidiaries have filed all state and Federal tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or any such Subsidiary, as the case may be, has established reserves in accordance with GAAP.

*Section 5.9. Title to Property; Lien of Mortgage.* (a) The Company has good and sufficient title to all of the real properties owned by the Company that are described in the Mortgage and intended to be subject to the lien thereof, subject only to Excepted Encumbrances (as defined in the Mortgage) and to minor defects and irregularities of the nature customarily found in properties of like size and character, which, in the Company's opinion, do not materially impair the use of the property affected thereby in the operation of the business of the Company; upon the due execution, delivery and appropriate recording of the Supplemental Indenture, the Mortgage will constitute, subject only to the exceptions referred to above, a valid first mortgage lien on such properties.

(b) The description in the Mortgage of the properties intended to be subject to the Mortgage is adequate to constitute a Lien thereon.

*Section 5.10. Licenses, Permits, Etc.* (a) The Company and its Material Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others.

(b) To the best knowledge of the Company, no product or service of the Company or any of its Subsidiaries infringes in any material respect any license, permit, franchise,

authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

*Section 5.11. Compliance with ERISA.* The execution and delivery of this Agreement and the Mortgage (including, without limitation, the Supplemental Indenture) and the issuance and sale of the Bonds hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.11 is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.2 and the completeness of such Purchaser's disclosures pursuant to Section 6.2 as to the sources of the funds used to pay the purchase price of the Bonds to be purchased by such Purchaser.

*Section 5.12. Private Offering by the Company.* Neither the Company nor anyone acting on its behalf has offered the Bonds or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than [ ] other Institutional Investors, each of which has been offered the Bonds at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the offer or sale of the Bonds to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

*Section 5.13. Use of Proceeds; Margin Regulations.* The Company will apply the proceeds of the sale of the Bonds to repay existing Indebtedness and for general corporate purposes. No part of the proceeds from the sale of the Bonds hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

*Section 5.14. Foreign Assets Control Regulations, Etc.* (a) Neither the Company nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(b) Neither the Company nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Company's knowledge, is under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of the proceeds from the sale of the Bonds hereunder:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any U.S. Economic Sanctions Laws or (C) otherwise in violation of any U.S. Economic Sanctions Laws;

(ii) will be used, directly or indirectly, in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

(d) The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

*Section 5.15. Investment Company Act.* Neither the Company nor any Subsidiary is subject to regulation as an "investment company" under the Investment Company Act of 1940, as amended.

*Section 5.16. Environmental Matters.* Except as disclosed in or contemplated by the Disclosure Documents, (a) neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect; (b) neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect; (c) neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of

them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that would reasonably be expected to result in a Material Adverse Effect; and (d) all buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

## SECTION 6. REPRESENTATIONS OF THE PURCHASERS.

*Section 6.1. Purchase for Investment.* Each Purchaser severally represents that it is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, and that it is purchasing the Bonds for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof, *provided* that the disposition of such Purchaser’s or such pension or trust fund’s property shall at all times be within such Purchaser’s or such pension or trust fund’s control. Each Purchaser understands that the Bonds have not been registered under the Securities Act and may be resold only if registered under the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Bonds under the Securities Act.

*Section 6.2. Source of Funds.* Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a “*Source*”) to be used by such Purchaser to pay the purchase price of the Bonds to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Exemption (“*PTE*”) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the “*NAIC Annual Statement*”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser’s fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84 14 (the “*QPAM Exemption*”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV of PTE 96-23 (the “*INHAM Exemption*”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.



As used in this Section 6.2, the terms “employee benefit plan”, “governmental plan”, “party in interest” and “separate account” shall have the respective meanings assigned to such terms in Section 3 of ERISA.

SECTION 7. INFORMATION AS TO COMPANY.

*Section 7.1. Information After Closing.* As long as any Bonds are outstanding, the Company shall deliver to each holder of Bonds that is an Institutional Investor:

(a) *Quarterly Statements* — within 60 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company’s Quarterly Report on Form 10-Q (the “*Form 10-Q*”) with the SEC regardless of whether the Company is subject to the filing requirements thereof) after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income and cash flows of the Company and its Subsidiaries, for such quarter and, in the case of the second and third quarters, cash flows for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that delivery within the time period specified above of copies of the Company’s Form 10-Q prepared in compliance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 7.1(a), and provided, further, that the Company shall be deemed to have made such delivery of such Form 10-Q if it shall have timely made such Form 10-Q available on “EDGAR” and on its home page on the worldwide web (such availability being referred to as “*Electronic Delivery*”);

(b) *Annual Statements* — within 120 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company’s Annual Report on Form 10-K (the “*Form 10-K*”) with the SEC regardless of whether the Company is subject to the filing requirements thereof) after the end of each fiscal year of the Company, duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income and cash flows of the Company and its Subsidiaries, for such year, and consolidated statements of changes in shareholders' equity of the Company and its Subsidiaries for such year (or a footnote in lieu of separate statements)

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of an independent registered public accounting firm of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accounting firm in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the SEC or otherwise available on EDGAR shall be deemed to satisfy the requirements of this Section 7.1(b), and *provided, further*, that the Company shall be deemed to have made such delivery of such Form 10-K if it shall have timely made Electronic Delivery thereof;

(c) *SEC and Other Reports* — promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Material Subsidiary to its public securities holders generally, and (ii) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such holder), and each final prospectus and all amendments thereto filed by the Company or any Material Subsidiary with the SEC (except to the extent such documents have been made available through Electronic Delivery);

(d) *Notice of Default or Event of Default* — promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default under the Mortgage, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto, provided, however, that the Company shall not be required to comply with the provisions of this Section 7.1(d) for so long as the Company is subject to the public reporting requirements of the Exchange Act; and

(e) *Resignation or Replacement of Auditors* — within 10 days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such further information as the Required Holders may reasonably request; *provided* that the delivery within the time period specified above of a Current Report on Form 8-K prepared in accordance with the

requirements of Form 8-K for disclosing the resignation or replacement of auditors and filed with the SEC or otherwise available on EDGAR shall be deemed to satisfy the requirements of this Section 7.1(e) and *provided further* that the Company shall be deemed to have made such delivery of such Form 8-K if it shall have timely made Electronic Delivery thereof; and

(f) *Requested Information* — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries (including, but without limitation, actual copies of the Company's Form 10-Q and Form 10-K) or relating to the ability of the Company to perform its obligations under this Agreement and under the Bonds as from time to time may be reasonably requested by such holder of Bonds.

*Section 7.2. Visitation.* The Company shall permit the representatives of each holder of Bonds that is an Institutional Investor:

(a) *No Default* — if no Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and, with the consent of the Company (which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* — if an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

## SECTION 8. PAYMENTS ON BONDS.

*Section 8.1. Place of Payment.* Subject to Section 8.2, payments of principal, premium, if any, and interest becoming due and payable on the Bonds shall be made in accordance with the terms and provisions of the Mortgage.

*Section 8.2. Home Office Payment.* So long as any Purchaser or its nominee shall be the holder of any Bond, the Company will pay or cause to be paid all sums becoming due on such Bond(s) for principal, premium, if any, and interest by the method and at the address specified for such purpose in the letter of instructions from such Purchaser, or their counsel on their behalf, to the Company referenced in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Bond(s) or the making of any notation

thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Bond, such Purchaser shall surrender such Bond for cancellation, reasonably promptly after any such request, to the Trustee at the place of payment designated pursuant to the Mortgage. Prior to any sale or other disposition of any Bond held by any Purchaser or its nominee such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Bond to the Company or the Trustee in exchange for a new Bond or Bonds pursuant to Section 12 of the Mortgage. The Company will afford the benefits of this Section 8.2 to any Institutional Investor that is the direct or indirect transferee of any Bond purchased by a Purchaser under this Agreement and has made the same agreement relating to such Bond as such Purchaser has made in this Section 8.2.

#### SECTION 9. ADDITIONAL AGREEMENTS.

*Section 9.1. Economic Sanctions, Etc.* The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Bonds) with any Person if such investment, dealing or transaction (i) would cause any holder or any affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

#### SECTION 10. EXPENSES, ETC.

*Section 10.1. Transaction Expenses.* Whether or not the transactions contemplated hereby are consummated, the Company will pay (and indemnify the Purchasers against) all reasonable costs and expenses (including reasonable attorneys' fees of a single special counsel for all of the Purchasers and, if reasonably required and disclosed to the Company, a single local counsel in any relevant jurisdiction hired for all of the Purchasers) incurred by the Purchasers, in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or any Bond Document (whether or not such amendment, waiver or consent becomes effective) including, without limitation, (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Bond Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Bond Documents, or by reason of being a holder of any Bond, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work out or restructuring of the transactions contemplated hereby and by the Bonds, and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related financial information with the SVO. The Company will pay, and will save each Purchaser harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than any retained by the Purchasers).

*Section 10.2. Certain Taxes.* The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or the execution and delivery (but not the transfer) or the enforcement of any of the Bonds in the United States or any other jurisdiction where the Company has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or of any of the Bonds, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 15, and will save each holder of a Bond to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder.

*Section 10.3. Survival.* The obligations of the Company under this Section 10 will survive the payment or transfer of any Bond, the enforcement, amendment or waiver of any provision of this Agreement, the Bonds or any other Bond Document, and the termination of this Agreement.

#### SECTION 11. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement, the Mortgage (including, without limitation, the Supplemental Indenture) and the Bonds, the purchase or transfer by any Purchaser of any Bond or portion thereof or interest therein and the payment of any Bond, and may be relied upon by any subsequent holder of a Bond, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Bond. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement or the other Bond Documents shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement, the Mortgage and the Bonds embody the entire agreement and understanding between the Purchasers and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

#### SECTION 12. AMENDMENT AND WAIVER.

*Section 12.1. Requirements.* In addition to and not in limitation of any rights of the Company to amend or waive any provision of the Mortgage, and the rights of a holder of a Bond under the Mortgage, including the right to consent or withhold consent to an amendment or waiver of any provision thereof, this Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Sections 1, 2, 3, 4, 5 or 6 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Bond at the time outstanding affected thereby, amend any of this Section 12 or Section 15.

*Section 12.2. Solicitation of Holders of Bonds.*

(a) *Solicitation.* The Company will provide each holder of the Bonds (irrespective of the amount of Bonds then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Bonds. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 12 to each holder of outstanding Bonds promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Bonds.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any Holder of Bonds as consideration for or as an inducement to the entering into by any Holder of Bonds of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently offered, on the same terms, ratably to each Holder of Bonds then outstanding.

(c) *Consent in Contemplation of Transfer.* Any consent given pursuant to this Section 12 by a Holder of a Bond that has transferred or has agreed to transfer its Bond to (i) the Company, (ii) any Subsidiary or any other Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Bonds that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

*Section 12.3. Binding Effect, Etc.* Any amendment or waiver consented to as provided in this Section 12 applies equally to all holders of Bonds and is binding upon them and upon each future holder of any Bond and upon the Company without regard to whether such Bond has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant or agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Bond nor any delay in exercising any rights hereunder or under any Bond shall operate as a waiver of any rights of any holder of such Bond. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

*Section 12.4. Bonds Held by Company, Etc.* Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Bonds then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, or have directed the taking of any action provided herein to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Bonds then outstanding, Bonds directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 13. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or its nominee at the address specified for such communications in Schedule A to this Agreement, or at such other address as such Purchaser or its nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Bond, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of its Senior Vice President and Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Bond in writing.

Notices under this Section 13 will be deemed given only when actually received.

SECTION 14. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Bonds themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by any Person who is a party to or recipient of any such document by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and such Person may destroy any original document so reproduced. The Company and each Purchaser agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Person in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 14 shall not prohibit the Company, a Purchaser or any other holder of Bonds from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 15. CONFIDENTIAL INFORMATION.

For the purposes of this Section 15, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received

by such Purchaser as being confidential information of the Company or such Subsidiary; *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser; *provided* that such Purchaser may deliver or disclose Confidential Information to (i) such Purchaser's directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's Bonds), (ii) such Purchaser's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 15, (iii) any other holder of any Bond, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Bond or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 15), (v) any Person from which such Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 15), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Bonds and this Agreement. Each holder of a Bond, by its acceptance of a Bond, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 15 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Bond of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 15.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Bond is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 15, this Section 15 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 15 shall supersede any such other confidentiality undertaking.



SECTION 16. MISCELLANEOUS.

*Section 16.1. Successors and Assigns.* All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Bond) whether so expressed or not.

*Section 16.2. Severability.* Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

*Section 16.3. Construction.* Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

*Section 16.4. Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

*Section 16.5. Governing Law.* This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

*Section 16.6. Jurisdiction and Process; Waiver of Jury Trial. Jurisdiction and Process; Waiver of Jury Trial.* (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Bonds. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 16.6(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New

York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Company consents to process being served by or on behalf of any holder of Bonds in any suit, action or proceeding of the nature referred to in this Agreement by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 13 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 16.6 shall affect the right of any holder of a Bond to serve process in any manner permitted by law, or limit any right that the holders of any of the Bonds may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) **THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE BONDS OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THEREWITH.**

Northwest Natural Gas Company

Bond Purchase Agreement

The execution hereof by the Purchasers shall constitute a contract among the Company and the Purchasers for the uses and purposes hereinabove set forth.

Very truly yours,

NORTHWEST NATURAL GAS COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Northwest Natural Gas Company

Bond Purchase Agreement

This Agreement is hereby accepted and agreed  
to as of the date thereof.

[NAME OF PURCHASER]

By: \_\_\_\_\_  
Name:  
Title:

Northwest Natural Gas Company

Bond Purchase Agreement

This Agreement is hereby accepted and agreed  
to as of the date thereof.

[NAME OF PURCHASER]

By: \_\_\_\_\_

Name:

Title:

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
MORTGAGE BONDS  
TO BE PURCHASED

\$

**Payments**

All payments to be by bank wire transfer of immediately available funds to:

[To be provided in a letter of instructions pursuant to Section 8.2]

**Notices**

All notices with respect to payments, prepayments (scheduled and unscheduled, whether partial or in full) and maturity shall be sent to:

All notices and communication with respect to compliance reporting, financial statements and related certifications shall be sent to:

All other notices shall be sent to:

**Physical Delivery**

Name of Nominee in which Bonds are to be issued:

Taxpayer I.D. Number: [To be provided in a letter of instructions pursuant to Section 8.2]

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
MORTGAGE BONDS  
TO BE PURCHASED

\$

**Payments**

All payments to be by bank wire transfer of immediately available funds to:

[To be provided in a letter of instructions pursuant to Section 8.2]

**Notices**

All notices with respect to payments, prepayments (scheduled and unscheduled, whether partial or in full) and maturity shall be sent to:

All notices and communication with respect to compliance reporting, financial statements and related certifications shall be sent to:

All other notices shall be sent to:

**Physical Delivery**

Name of Nominee in which Bonds are to be issued:

Taxpayer I.D. Number: [To be provided in a letter of instructions pursuant to Section 8.2]

## DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“*Affiliate*” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, includes any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of such first Person or any corporation of which such first Person beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, “*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “*Affiliate*” is a reference to an Affiliate of the Company.

“*Anti-Corruption Laws*” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

“*Anti-Money Laundering Laws*” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the USA PATRIOT Act.

“*Blocked Person*” means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

“*Bond Documents*” means this Agreement, the Bonds, the Supplemental Indenture, the Mortgage, the Security Documents and all other instruments, certificates, documents and other writings now or hereafter executed and delivered by the Company pursuant to or in connection with any of the foregoing.

“*Bonds*” is defined in Section 1.1 hereto.

“*Business Day*” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Portland, Oregon are required or authorized to be closed.

“*Closing*” is defined in Section 3 hereto.



“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“*Company*” means Northwest Natural Gas Company, an Oregon corporation.

“*Confidential Information*” is defined in Section 15 hereto.

“*Controlled Entity*” means (a) any Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates.

“*Default*” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“*Environmental Laws*” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“*ERISA Affiliate*” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“*Event of Default*” means “Defaults” as set forth in the Mortgage.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time.

“*GAAP*” means generally accepted accounting practices as in effect from time to time in the United States of America.

“*Governmental Authority*” means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

*“Hazardous Material”* means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

*“Indebtedness”* means all indebtedness of the Company which is required to be included on the consolidated balance sheet of the Company prepared in accordance with GAAP.

*“Institutional Investor”* means (a) any original Purchaser of a Bond, (b) any holder of a Bond holding (together with one or more of its Affiliates) more than \$1,000,000 in aggregate principal amount of the Bonds then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

*“Lien”* means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or capital lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

*“Material”* means material in relation to the financial condition, business, operations or properties of the Company and its Subsidiaries taken as a whole.

*“Material Adverse Effect”* means a material adverse effect on (a) the financial condition, business, operations or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement, the Mortgage or the Bonds, or (c) the validity or enforceability of this Agreement, the Mortgage or the Bonds.

*“Material Subsidiary”* means any Subsidiary which is a “significant subsidiary” as defined in Rule 1-02 of Regulation S-X, of which, Gill Ranch Storage, LLC is the only such Subsidiary as of the date of the Closing.

*“Mortgage”* is defined in Section 1.1 hereto.

*“Multiemployer Plan”* means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“*Officer’s Certificate*” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“*PBGC*” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“*Person*” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“*Plan*” means an “employee benefit plan” (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“*property*” or “*properties*” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“*Purchasers*” means the Purchasers named in Schedule A hereto.

“*Required Holders*” means, at any time, the holders of more than 50% in principal amount of the Bonds at the time outstanding (exclusive of Bonds then owned by the Company or any of its Affiliates).

“*Responsible Officer*” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“*SEC*” means the Securities and Exchange Commission.

“*Securities Act*” means the Securities Act of 1933, as amended from time to time.

“*Security Documents*” means, collectively, the Mortgage, the Supplemental Indenture and all additional security documents and all financing statements, assignments, pledges, lien entry forms, notices, documents and other writings executed and delivered from time to time in favor of the Trustee, for the equal and ratable benefit of the holders of the Bonds and the other holders of the outstanding bonds under the Mortgage, in order to secure the obligations of the Company under and in respect of such outstanding bonds under the Mortgage and any and all amendments, supplements and other modifications thereto.

“*Senior Financial Officer*” means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

“*State Sanctions List*” means a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other

commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws.

“*Subsidiary*” means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“*Supplemental Indenture*” is defined in Section 1.1 hereto.

“*SVO*” is defined in Section 4.8 hereto.

“*USA Patriot Act*” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

**EXHIBIT A**

**FORM OF SUPPLEMENTAL INDENTURE**

**[FORM OF OPINION COVERING OREGON AND WASHINGTON LAW]**

1. The Company is a validly organized and existing corporation under the laws of the State of Oregon, is authorized to transact business in the State of Washington and has corporate power to execute and perform its obligations under the Agreement, the Mortgage (defined to include the Supplemental Indenture) and the Bonds, to issue to sell the Bonds pursuant to the Agreement, to own its properties and conduct its business as currently conducted.

2. The Agreement has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered, and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

3. The Mortgage has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered, and is a valid and binding instrument enforceable in accordance with its terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

4. The Bonds have been duly established in conformity with the provisions of the Mortgage, have been duly authorized by all necessary corporate action, and executed and delivered by the Company and constitute valid and binding obligations of the Company, entitled to the benefits provided by the Mortgage, and enforceable against the Company in accordance with their terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

5. The issuance and sale of the Bonds, the compliance by the Company with all of the provisions of the Bonds, the Mortgage, and the Agreement and the consummation of the transactions contemplated by the Agreement will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, or under any material indenture, mortgage, deed of trust or other agreement or instrument to which the Company is a party or by which it is bound or to which any of the property of the Company is subject and which are set forth in a certificate of an officer of the Company, the Company's Restated Articles of Incorporation, as amended, or Bylaws, as amended, or any order (which is set forth in a certificate of an officer of the Company), rule or regulation, in each case, of any court or governmental agency or body having jurisdiction over the Company or any of its properties.

6. Except as disclosed in or contemplated by the Disclosure Documents, there are no pending material legal or governmental proceedings and, to the opinion giver's knowledge, no material threatened legal or governmental proceedings, to which the Company is a party or of which any property of the Company is the subject, other than ordinary routine litigation incidental to the kind of business conducted by the Company.

7. The Mortgage creates and constitutes a valid security interest in such of the Mortgaged and Pledged Property as is subject to the provisions of Article 9 of the Uniform Commercial Code (the "UCC") as in effect in the State of Oregon (the "UCC Property") in favor of the Trustee for the equal and ratable benefit of the bonds outstanding under the Mortgage, including the Bonds issued under the Agreement. The Indenture Lien on the UCC Property is duly perfected under the UCC to the extent a security interest in personal property or fixtures can be perfected by the filing of UCC-1 financing statements under the UCC.

8. The Company has good and sufficient title to all of the real properties owned by the Company that are described in the Mortgage and intended to be subject to the lien thereof, subject only to Excepted Encumbrances (as defined in the Mortgage) and to minor defects and irregularities of the nature customarily found in properties of like size and character; the description in the Mortgage of such properties is adequate to constitute the Mortgage a lien thereon; and the Mortgage is a valid first mortgage lien on such properties, subject to the exceptions noted above in this paragraph 8.

9. The OPUC has issued orders authorizing the issuance and sale by the Company of the Bonds; the issuance of the Bonds pursuant to and in accordance with the Agreement and the Mortgage conforms with the OPUC order; and no further approval, authorization, consent or other order of, or filing with, any public board or body (other than in connection or in compliance with the provisions of the securities or blue sky laws of any jurisdiction and other than the statements to be filed with the WUTC establishing compliance with applicable statutory provisions) is legally required in Oregon or Washington for the issuance and sale of the Bonds on the terms and conditions set forth in the Agreement.

**[FORM OF MORGAN LEWIS OPINION COVERING NY LAW]**

1. The Company is a validly organized and existing corporation under the laws of the State of Oregon, and is authorized to transact business in the State of Washington.

2. The Agreement has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered, and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

3. The Mortgage has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered, and is a valid and binding instrument enforceable in accordance with its terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

4. The Bonds have been duly established in conformity with the provisions of the Mortgage, have been duly authorized by all necessary corporate action, and executed and delivered by the Company and constitute valid and binding obligations of the Company, entitled to the benefits provided by the Mortgage, and enforceable against the Company in accordance with their terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency.

5. The issuance and sale of the Bonds, the compliance by the Company with all of the provisions of the Bonds, the Mortgage, and the Agreement and the consummation of the transactions contemplated by the Agreement will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, the Mortgage or the Company's Restated Articles of Incorporation, as amended, or Bylaws, as amended.

6. The execution, delivery and performance by the Company of the Agreement, the Mortgage and the Bonds do not and will not violate any provision of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

7. It is not necessary, in connection with the sale of the Bonds to the Purchasers by the Company, in the manner contemplated by the Agreement, to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Mortgage under the Trust Indenture Act of 1939, as amended.

8. The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.



**FORM OF OPINION OF CHAPMAN & CUTLER, LLP, SPECIAL COUNSEL TO THE PURCHASERS  
[TO BE DELIVERED ON A CASE BY CASE BASIS.]**