

been pledged in good faith may be regarded as Outstanding for the purposes of this paragraph, if the pledgee shall establish to the satisfaction of the Trustees or the Corporate Trustee the pledgee's right to vote such bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. In case of a dispute as to such right, any decision by the Trustees, or either of them, taken upon the advice of counsel shall be full protection to the Trustees.

SECTION 72. In case of a Default, as defined in Section 65 hereof, and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustees and of the bondholders under this Indenture, the Trustees shall be entitled, as a matter of right (to the extent that such right is enforceable under applicable law) to the appointment of a receiver or receivers of the Mortgaged and Pledged Property, and of the tolls, rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer, whether or not the Mortgaged and Pledged Property shall be adequate to satisfy the bonds then Outstanding.

SECTION 73. Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the principal of all bonds then secured hereby, if not previously due, shall become and be immediately due and payable.

SECTION 74. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, any bondholder or bondholders may bid for and purchase the Mortgaged and Pledged Property or any part thereof and upon compliance with the terms of sale may hold, retain and possess and dispose of such

property in his, their or its own absolute right without further accountability, and any purchasers at any such sale may, in paying the purchase money, turn in any of the bonds Outstanding hereunder and coupons or claims for interest outstanding hereunder in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, subject, however, to the provisions of Section 76 hereof with respect to extended, transferred or pledged coupons or claims for interest. Said bonds and coupons, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the holders thereof after being appropriately stamped to show partial payment.

SECTION 75. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the receipt of the Trustees or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustees or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or non-application thereof.

Any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture shall, if and to the extent then permitted by law, operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company of, in and to the property so sold, and be a perpetual bar both at law and in equity against the Company, its successors and assigns and against any and all persons, firms or corporations claiming or who may claim the property sold, or any part thereof, from, through or under the Company, its successors or assigns.

SECTION 76. The proceeds of any sale made either under the power of sale hereby given, or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, together with any other amounts of cash which may then be held by the Trustees or either of them, as part of the Mortgaged and Pledged Property, shall be applied, as follows:

*First.*—To the payment of all taxes, assessments, governmental charges, Qualified Liens and liens prior to the Lien of this Indenture, except those subject to which such sale shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustees, their agents and (to the extent permitted by law) their attorneys, and of all other sums payable to the Trustees hereunder by reason of any expenses or liability incurred (in good faith and without negligence by the Trustees) or advances made in connection with the management or administration of the trusts hereby created;

*Second.*—To the payment in full of the amounts then due and unpaid for principal, premium and interest upon the bonds then secured hereby; and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, with interest on the overdue principal at the rates expressed in the bonds, without preference or priority as to principal, premium or interest, or of any instalment of interest over any other instalment of interest; provided, however, that if the time for the payment of any coupon or claim for interest upon any of the bonds secured hereby shall have been extended (except pursuant to action taken under Article XIX hereof) by or with the consent of the Company, or if any thereof at or after maturity shall have been transferred or pledged separate from the bond to which they relate, such coupons or claims for interest shall not be entitled in case of Default hereunder to the benefit or security of this Indenture except after the prior payment in full of the principal and premium, if any, of all bonds issued hereunder and then secured hereby and of all coupons and claims for interest on such bonds

the payment of which has not been so extended, or not so transferred or pledged; but the foregoing provisions of this paragraph *Second* shall not be applicable to any coupon or claim for interest the time for payment of which shall have been extended, if such extension be pursuant to a plan proposed by the Company to all holders of any one or more series of bonds then Outstanding and accepted by and binding upon the holder of such coupon or claim for interest; and

*Third.*—Subject to the provisions of subsection (II) of Section 64 hereof, any surplus thereof remaining to the Company, its successors or assigns or to it, him or them whosoever may be lawfully entitled to receive the same.

SECTION 77. In case of a Default, as defined in Section 65 hereof, to the extent that such rights may then lawfully be waived, neither the Company nor any one claiming through or under it shall or will set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the Mortgaged and Pledged Property may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the Mortgaged and Pledged Property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, but the Company, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of any State where any of the Mortgaged and Pledged Property may be situated. The Company, for itself and all who may claim through or under it, waives, to the extent that it lawfully may do so, any and all right to have the estate comprised in the security intended to be created hereby marshalled upon any foreclosure of the Lien hereof, and agrees that any court having jurisdiction to foreclose such Lien may sell the Mortgaged and Pledged Property as an entirety.

SECTION 78. The Company covenants that if default shall be made in the payment of the principal of any bond hereby secured when the same shall become payable, whether by the maturity of said bond or otherwise or in the case of a default in the payment of the interest on any bond for a period of sixty (60) days after such interest shall have become due and payable, then upon demand of the Corporate Trustee, the Company will pay to the Trustees, for the benefit of the holders of the bonds and coupons then secured hereby, the whole amount due and payable on all such bonds and coupons for principal, premium, if any and interest, with interest upon the overdue principal at the same rate borne by the bonds which are overdue.

In the case of a default in payment of the principal of any bond, when the same shall become due and payable, or in the case of a default in the payment of the interest on any bond for a period of sixty (60) days after such interest shall have become due and payable, the Trustees may recover judgment, in their own names and as trustees of an express trust, against the Company for the whole amount of such principal, interest and any premium remaining unpaid together with interest upon the overdue principal at the same rate borne by the bonds which are overdue.

The Trustees or either of them may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustees or either of them and of the bondholders allowed in any judicial proceedings relative to the Company, or its creditors, or its property. In case of any receivership, insolvency, bankruptcy, reorganization or other similar proceedings affecting the Company or its property, the Trustees, irrespective of whether the principal of the bonds shall then be due and payable and irrespective of whether the Trustees shall have made any demand for such payment, shall be entitled and empowered either in their own names or as trustees of an express trust or as attorneys in fact for the holders of the bonds and coupons, or in any one or more of such capacities, to file a proof of claim for the whole amount of prin-

principal and interest (with interest upon such overdue principal at the same rate borne by the bonds which are overdue) which may be or become owing and unpaid in respect of the bonds and for any additional amount which may be or become payable by the Company hereunder, without regard to or deduction for any amount which may have been or which may thereafter be received, collected or realized by the Trustees from or out of the Mortgaged and Pledged Property or any part thereof or from or out of the proceeds thereof or any part thereof; but nothing in this Indenture contained shall authorize the Trustees or either of them to accept or consent to any composition or plan of reorganization on behalf of any bondholder.

The Trustees, to the extent permitted by law, shall be entitled to sue and recover judgment and/or to file and prove such claim as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the Lien of this Indenture upon the Mortgaged and Pledged Property, and in case of a sale of any of the Mortgaged and Pledged Property and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees in their own names and as trustees of an express trust shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all the bonds and coupons then Outstanding hereunder, for the benefit of the holders thereof, and the Trustees shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustees and no levy of any execution upon any such judgment upon any of the Mortgaged and Pledged Property or upon any other property, shall in any manner or to any extent affect the Lien of this Indenture upon the Mortgaged and Pledged Property or any part thereof, or any rights, powers or remedies of the Trustees hereunder, or any lien, rights, powers or remedies of the holders of the said bonds, but such lien, rights, powers and remedies of the Trustees and of the bondholders shall continue unimpaired as before.

Any moneys thus collected or received by the Trustees under this Section shall be applied by them first, to the payment of their expenses, disbursements and compensation and the expenses, disbursements and compensation of their agents and (to the extent permitted by law) their attorneys, and, second, toward payment of the amounts then due and unpaid upon such bonds and coupons in respect of which such moneys shall have been collected, ratably and without preference or priority of any kind (subject to the provisions of Section 76 hereof with respect to extended, transferred or pledged coupons and claims for interest), according to the amounts due and payable upon such bonds and coupons, respectively, at the date fixed by the Corporate Trustee for the distribution of such moneys, with interest upon overdue principal at the same rate borne by the bonds which are overdue, upon presentation of the several bonds and coupons and upon stamping such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 79. All rights of action (including the right to file proofs of claim) under this Indenture or under any of the bonds or coupons may be enforced by the Trustees, or either of them, without the possession of any of the bonds or coupons or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustees, or either of them, shall be brought in their names as Trustees, or in its or his name as Trustee, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding bonds and coupons, subject to the provisions of Section 76 hereof with respect to extended, transferred or pledged coupons and claims for interest.

In any proceeding brought by the Trustees, or either of them (including also any proceeding involving the interpretation of any provision of this Indenture to which the Trustees or either of them shall be parties), such Trustees or Trustee shall be held to represent all the holders of the bonds and coupons secured by this Indenture, and it shall not be necessary to make such holders of the bonds and coupons parties to any such proceedings.

SECTION 80. No holder of any bond or coupon shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder unless such holder shall have previously given to the Trustees written notice of a Default, as defined in Section 65 hereof, nor unless also the holders of twenty-five per centum (25%) in principal amount of the bonds then Outstanding hereunder shall have made written request to the Trustees and shall have offered them reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in their own names and shall have offered to the Trustees security and indemnity satisfactory to the Trustees against the costs, expenses and liabilities to be incurred thereby without negligence or bad faith, and the Trustees shall have declined to take such action or shall have failed so to do within sixty (60) days thereafter; it being understood and intended that no one or more holders of the bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of Outstanding bonds and coupons. Such notification, request and offer of indemnity are hereby declared, at the option of the Trustees, but subject to the provisions of Sections 88 and 89 hereof, to be conditions precedent to the execution by them of the powers and trusts of this Indenture and to the exercise by them of any action or cause of action or remedy hereunder.

Notwithstanding any other provision of this Indenture, the right of any holder of any bond to receive payment of the principal of and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.



SECTION 81. The Company may waive any period of grace provided for in this Article.

In case the Trustees shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustees, then and in every such case the Company and the Trustees shall be restored to their former positions and rights hereunder with respect to the Mortgaged and Pledged Property, and all rights, remedies and powers of the Trustees shall continue as if no such proceedings had been taken.

#### ARTICLE XIV.

##### Evidence of Rights of Bondholders and Ownership of Bonds.

SECTION 82. Any request, declaration or other instrument, which this Indenture may require or permit to be signed and executed by the bondholders, may be in any number of concurrent instruments of similar tenor, and shall be signed or executed by such bondholders in person or by attorney appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such attorney, or of the holding by any person of the bonds or coupons appertaining thereto, shall be sufficient (subject, in so far as the Trustees are concerned, to the provisions of Section 88 and Section 89 hereof) for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(a) The fact and date of the execution by any person of such request or other instrument or writing may be proved by a certificate acknowledged before a Notary Public or other officer authorized to take acknowledgments;

(b) The amount of bonds transferable by delivery held by any person executing such request or other instrument as a bondholder, and the series and serial numbers thereof, held by such person, and the date of his holding the same, may be proved by

a certificate executed by any trust company, bank, banker or other depository wherever situated, if such certificate shall be deemed by the Corporate Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository the bonds described in such certificate. The Trustees or either of them may nevertheless in their discretion require further proof in cases where they deem further proof desirable. The ownership of registered bonds shall be proved by the registry books.

Any request, consent or vote of the owner of any bond shall bind all future holders and owners of said bond or of any bond delivered by the Company in exchange or substitution for said bond in respect of anything done or suffered by the Company or the Trustees in pursuance thereof.

SECTION 83. The Company and the Trustees may deem and treat the bearer of any temporary or coupon bond Outstanding hereunder, which shall not at the time be registered as to principal as hereinbefore authorized, and the bearer of any coupon for interest on any such bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon, as the case may be, whether or not such bond or coupon shall be overdue, for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

The Company and the Trustees may deem and treat the person in whose name any fully registered bond Outstanding hereunder shall be registered upon the books of the Company, as herein authorized, as the absolute owner of such bond for the purpose of receiving payment of or on account of the principal of and interest and premium, if any, on such bond and for all other purposes, and they may deem and treat the person in whose name any coupon bond shall be so registered as to principal as the absolute owner thereof for the purpose of receiving payment of or on account of the principal thereof and for all other pur-

poses, except to receive payment of interest represented by outstanding coupons; and all such payments so made to any such registered owner, or upon his order, shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

Neither the Company nor the Trustees shall be bound to recognize any person as the holder of a bond Outstanding under this Indenture unless and until his bond is submitted for inspection, if required, except as may otherwise be provided by regulations made under Section 109 hereof, and his title thereto satisfactorily established, if disputed.

#### **ARTICLE XV.**

##### **Immunity of Incorporators, Subscribers to the Capital Stock, Stockholders, Officers and Directors.**

**SECTION 84.** No recourse under or upon any obligation, covenant or agreement contained in this Indenture (including any indenture supplemental hereto) or in any bond or coupon hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise; it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that no such personal liability shall attach to, or be incurred by, such incorporators, subscribers to the capital stock, stockholders, officers or directors of the Company or of any predecessor or successor corporation, or any of them, as such, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants

or agreements contained in this Indenture or in any of the bonds or coupons hereby secured, or implied therefrom, and that any and all such personal liability of every name and nature, and any and all such rights and claims against every such incorporator, subscriber to the capital stock, stockholder, officer or director, as such, whether arising at common law or in equity, or created by rule of law, statute, constitution or otherwise, are expressly released and waived as a condition of, and as part of the consideration for, the execution of this Indenture and the issue of the bonds and interest obligations secured hereby.

#### **ARTICLE XVI.**

##### **Effect of Merger, Consolidation, Etc.—Further Provisions for Retirement of Bonds.**

SECTION 85. Nothing in this Indenture shall prevent any consolidation of the Company with, or merger of the Company into, any corporation having corporate authority to carry on any of the businesses mentioned in the first sentence of Section 4 of this Indenture, or any conveyance, transfer or lease, subject to the Lien of this Indenture, of all or substantially all of the Mortgaged and Pledged Property as an entirety to any corporation lawfully entitled to acquire or lease or operate the same; provided, however, and the Company covenants and agrees, that such consolidation, merger, conveyance, transfer or lease shall be upon such terms as fully to preserve and in no respect to impair the Lien or security of this Indenture, or any of the rights or powers of the Trustees or the bondholders hereunder; and provided, further, that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustees at any time during the continuance of a Default, as defined in Section 65 hereof, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that, upon any such consolidation, merger, conveyance or transfer, or upon any such

lease the term of which extends beyond the date of maturity of any of the bonds secured hereby, the due and punctual payment of the principal and interest of all said bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be kept or performed by the Company shall be expressly assumed by an instrument in writing executed and delivered to the Trustees by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all or substantially all the Mortgaged and Pledged Property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby.

SECTION 86. In case the Company, as permitted by Section 85 hereof, shall be consolidated with or merged into any other corporation or shall convey or transfer, subject to the Lien of this Indenture, all or substantially all the Mortgaged and Pledged Property as an entirety, the successor corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid—upon executing with the Trustees and causing to be recorded an indenture whereby such successor corporation shall assume and agree to pay, duly and punctually, the principal of and interest on the bonds issued hereunder in accordance with the provisions of said bonds and coupons and this Indenture, and shall agree to perform and fulfill all the covenants and conditions of this Indenture to be kept or performed by the Company—shall succeed to and be substituted for the Company with the same effect as if it had been named herein, and shall have and may exercise under this Indenture the same powers and rights as the Company, and (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such successor corporation thereafter may cause to be executed, authenticated and delivered, either in its own name or in the name of Portland Gas & Coke Company, as its name is now or shall then exist, in respect of

property of the character defined in Section 4 hereof, as Property Additions, such bonds as could or might have been executed, issued and delivered by the Company had it acquired such property of such character by purchase on or after the date of such consolidation, merger, conveyance or transfer, and had such consolidation, merger, conveyance or transfer not occurred, and upon the order of such successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions in this Indenture prescribed, concerning the authentication and delivery of bonds, the Corporate Trustee shall authenticate and deliver any bonds delivered to it for authentication which shall have been previously signed by the proper officers of the Company, and such bonds as the successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be executed and delivered to the Corporate Trustee for such purpose, and such successor corporation shall also have and may exercise in respect of the property of such character, and subject to all the terms, conditions and restrictions in this Indenture prescribed applicable thereto, whether as to withdrawal of cash, release of property, credit under Section 39 or Section 40 hereof, or otherwise, the same powers and rights which the Company might or could exercise had it acquired the property of such character by purchase on or after the date of such consolidation, merger, conveyance or transfer and had such consolidation, merger, conveyance or transfer not occurred. All the bonds so issued or delivered by the Company shall in all respects have the same legal right and security as the bonds theretofore issued or delivered in accordance with the terms of this Indenture as though all of said bonds had been authenticated and delivered at the date of the execution hereof. As a condition precedent to the execution by such successor corporation and the authentication and delivery by the Corporate Trustee of any such additional bonds or the withdrawal of cash or release of property under any of the provisions of this Indenture or the taking of a credit under Section 39 or Section 40 hereof, on the basis of property of the character defined in this Indenture as Property Addi-

tions acquired, made or constructed by the successor corporation or by any corporation with which the Company or any successor corporation may be so consolidated or into which the Company or any successor corporation may be so merged or to which the Company or any successor corporation may make any such conveyance, the indenture with the Trustees to be executed and caused to be recorded by the successor corporation as in this Section provided, or a subsequent indenture, shall contain a conveyance or transfer and mortgage in terms sufficient to subject such property to the Lien hereof; and provided further that the lien created thereby and the lien thereon shall have similar force, effect and standing as the Lien of this Indenture would have if the Company should not be consolidated with or merged into such other corporation or should not convey or transfer, subject to this Indenture, all or substantially all the Mortgaged and Pledged Property as an entirety, as aforesaid, to such successor corporation, and should itself on or after the date of such consolidation, merger, conveyance or transfer, acquire or construct such property, and in respect thereof should request the authentication and delivery of bonds or the withdrawal of cash or the release of property under the provisions of this Indenture or take a credit under Section 39 or Section 40 hereof.

SECTION 87. (I) In case the Company, as permitted by Section 85 of this Indenture, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the Lien of this Indenture, all or substantially all the Mortgaged and Pledged Property as an entirety as aforesaid, neither this Indenture nor the indenture with the Trustees to be executed and caused to be recorded by the successor corporation as in Section 86 hereof provided shall, unless such indenture shall otherwise provide, become or be or be required to become or be a lien upon any of the properties or franchises then owned or thereafter acquired by the successor corporation (by purchase, consolidation, merger, donation, construction, erection or in any other way) except (a) those acquired by it from the Company, and improve-

ments, extensions and additions thereto and renewals and replacements thereof, (b) the property made and used by the successor corporation as the basis under any of the provisions of this Indenture for the authentication and delivery of additional bonds or the withdrawal of cash or the release of property or a credit under Section 39 or Section 40 hereof, and (c) such franchises, repairs and additional property as may be acquired, made or constructed by the successor corporation (1) to maintain, renew and preserve the franchises covered by this Indenture, or (2) to maintain the property mortgaged and intended to be mortgaged hereunder as an operating system or systems in good repair, working order and condition, or (3) in rebuilding or renewal of property, subject to the Lien hereof, damaged or destroyed, or (4) in replacement of or substitution for machinery, apparatus, equipment, mains, pipe, frames, towers, poles, wire, tools, implements and furniture, subject to the Lien hereof, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the operation of the property mortgaged and intended to be mortgaged hereunder.

(II) In case the Company, as permitted by Section 85 of this Indenture, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the Lien of this Indenture, all or substantially all of the Mortgaged and Pledged Property as an entirety, and the plant account of the resulting or successor corporation immediately after such consolidation, merger, conveyance or transfer represented by assets other than those acquired from the Company, shall be not less than Five Million Dollars (\$5,000,000), then the resulting or successor corporation may, at its option, at any time within twelve (12) months subsequent to the date of such consolidation, merger, conveyance or transfer, deposit with the Corporate Trustee under the provisions of this Section an amount in cash to be held as part of the Mortgaged and Pledged Property and applied subject to the provisions of this Section, provided, however, that the amount of the cash so



deposited together with any other cash then held by the Corporate Trustee shall be not less than the amount necessary to redeem all bonds Outstanding under this Indenture.

(III) If one or more Federal, State, County, Municipal or other governmental bodies or agencies or public or semi-public corporations, districts or authorities shall acquire seventy per centum (70%) or more of the issued and then outstanding shares of capital stock of the Company of all classes not having preference over any other class of stock either as to payment of dividends or on liquidation, as a bona fide step precedent to dissolution of the Company, the Company may, at its option, at any time (within twelve (12) months subsequent to the date on which one or more of such bodies, agencies, corporations, districts or authorities, acquired such capital stock of the Company), deposit cash with the Corporate Trustee to be held as part of the Mortgaged and Pledged Property and applied subject to the provisions of this Section, provided, however, that the amount of cash so deposited together with any other cash then held by the Corporate Trustee shall be not less than the amount necessary to redeem all bonds Outstanding hereunder.

(IV) If, by exercise of the option specified in either subsection (II) or subsection (III) of this Section, cash for the redemption of bonds shall be deposited in the required amount, the Corporate Trustee shall as soon as may be practicable thereafter apply such cash together with any other cash then held by the Corporate Trustee to the redemption of all bonds then Outstanding hereunder in the manner provided in Article X hereof. In the event that bonds are redeemed as provided in this Section, all cash then deposited pursuant to this Section and all other cash then held by the Corporate Trustee under any provisions of this Indenture, shall, for the purpose of determining the redemption prices of bonds, be deemed to have been deposited pursuant to this Section.

**ARTICLE XVII**

**Concerning the Trustees.**

SECTION 88. The Corporate Trustee shall at all times be a bank or trust company eligible under Section 35 hereof and have a combined capital and surplus of not less than Five Million Dollars (\$5,000,000). If the Corporate Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to in Section 35 hereof, then for the purposes of this Section the combined capital and surplus of the Corporate Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any Co-Trustee appointed in succession to the Original Co-Trustee shall always be an individual, a citizen of the United States of America, or a bank or trust company having a combined capital and surplus of not less than One Hundred and Fifty Thousand Dollars (\$150,000), organized and doing business under the laws of the United States or of one of the States thereof or the District of Columbia which is authorized under such laws to exercise corporate trust powers, unless otherwise required by law.

The Trustees hereby accept the trust hereby created. The Trustees undertake and, if a separate or co-trustee is appointed pursuant to Section 103 hereof, such separate or co-trustee undertakes, prior to Default, as defined in Section 65 hereof, and after the curing of all such Defaults which may have occurred, to perform such duties and only such duties as are specifically set forth in this Indenture, and in case of such Default (which has not been cured) to exercise such of the rights and powers vested in them by this Indenture, and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. For the purposes of this Section 88 and of Section 89 hereof a Default shall be deemed cured when the act or omission or other event giving rise to such Default shall have been cured, remedied or terminated.

The Corporate Trustee, upon receipt of evidence furnished to it by or on behalf of the Company pursuant to any provision of this Indenture, will examine the same to determine whether or not such evidence conforms to the requirements of this Indenture.

SECTION 89. No provision of this Indenture shall be construed to relieve the Trustees or either of them from liability for their, its or his own negligent action, their, its or his own negligent failure to act, or their, its or his own wilful misconduct, except that

(a) prior to Default, as defined in Section 65 hereof, and after the curing of all such Defaults which may have occurred, the Trustees or either of them shall not be liable except for the performance of such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustees or either of them but the duties and obligations of the Trustees or either of them, prior to Default, as defined in Section 65 hereof, and after the curing of all such Defaults which may have occurred, shall be determined solely by the express provisions of this Indenture; and

(b) prior to Default, as defined in Section 65 hereof, and after the curing of all such Defaults which may have occurred, and in the absence of bad faith on the part of the Trustees or either of them, the Trustees or either of them may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions conforming to the requirements of this Indenture; and

(c) no Trustee which is a corporation shall be personally liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of such Trustee unless it shall be proved that such Trustee was negligent in ascertaining the pertinent facts and no Trustee who is an individual shall be personally liable for any error of judgment made in good faith by him unless it shall be proved that he was negligent in ascertaining the pertinent facts; and

(d) the Trustees or either of them shall not be personally liable with respect to any action taken or omitted to be taken by them, it or him in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the bonds at the time Outstanding (determined as provided in Section 71 hereof) relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustees or either of them, or exercising any trust or power conferred upon the Trustees or either of them, under this Indenture.

The provisions of this Section, which have been made specifically applicable to the Trustees, shall apply to the Trustees and, if a separate or co-trustee is appointed pursuant to Section 103 hereof, to any separate or co-trustee.

SECTION 90. The recitals contained herein and in the bonds shall be taken as the statements of the Company and the Trustees or either of them assume no responsibility for the correctness of the same. The Trustees or either of them make no representations as to the value of the Mortgaged and Pledged Property or any part thereof, or as to the title of the Company thereto, or as to the validity or adequacy of the security afforded thereby and hereby, or as to the validity of this Indenture or of the bonds or coupons issued hereunder. The Trustees, or either of them, shall be under no responsibility or duty with respect to the disposition of any bonds authenticated and delivered hereunder or the application of the proceeds thereof or the application of any moneys paid to the Company under any of the provisions hereof.

SECTION 91. The Trustees or either of them shall not be personally liable in case of entry by them, it or him upon the Mortgaged and Pledged Property for debts contracted or liability or damages incurred in the management or operation of said property.

Any Trustee in its or his individual or any other capacity, may become the owner or pledgee of bonds or coupons secured hereby with the same rights it or he would have if it or he were not Trustee.

SECTION 92. Whenever it is provided in this Indenture that the Trustees or either of them shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Company or of bondholders, the Trustees or either of them taking such action shall have full power to give any and all notices and to do any and all acts and things incidental to such action.

SECTION 93. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or either of them on the Company shall be deemed to have been sufficiently given or served, for all purposes, by being deposited postage prepaid in a postoffice letter box addressed (until another address is filed by the Company with the Corporate Trustee for the purpose of this Section) to the Company at the address given in the first paragraph of this Indenture.

SECTION 94. To the extent permitted by Sections 88 and 89 hereof:

(1) The Trustees or either of them may rely and shall be protected in acting upon any Resolution, Officers' Certificate, Engineer's Certificate, Independent Engineer's Certificate, Net Earning Certificate, Opinion of Counsel, resolution, certificate, opinion, notice, request, consent, order, appraisal, report, bond or other paper or document believed by them, it or him to be genuine and to have been signed or presented by the proper party or parties; and

(2) The Trustees or either of them may consult with counsel, who may be of counsel to the Company, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by them, it or him hereunder in good faith and in accordance with the opinion of such counsel.

The Trustees or either of them shall not be under any responsibility for the selection, appointment or approval of any expert for any

of the purposes expressed in this Indenture, except that nothing in this Section contained shall relieve the Trustees or either of them of their, its or his obligation to exercise reasonable care with respect to such selection, appointment or approval of independent experts who may furnish opinions or certificates to the Trustees or either of them pursuant to any provision of this Indenture.

Nothing contained in this Section shall be deemed to modify the obligation of the Trustees or either of them to exercise during the continuance of a Default, as defined in Section 65 hereof, the rights and powers vested in them, it or him by this Indenture with the degree of care and skill specified in Section 88 hereof.

SECTION 95. Subject to the provisions of Section 119 hereof, all moneys received by the Trustees or either of them whether as Trustee or paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were paid, but need not be segregated from other funds except to the extent required by law. The Corporate Trustee may allow and credit to the Company interest on any moneys received by it hereunder at such rate, if any, as may be agreed upon with the Company from time to time and as may be permitted by law.

None of the provisions contained in this Indenture shall require the Trustees or either of them to expend or risk their, its or his own funds or otherwise incur personal financial liability in the performance of any of their, its or his duties or in the exercise of any of their, its or his rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to them, it or him.

SECTION 96. The Company covenants and agrees to pay to the Trustees from time to time, and the Trustees shall be entitled to, reasonable compensation for all services rendered by them in the execution of the trusts hereby created and in the exercise and performance

of any of the powers and duties hereunder of the Trustees, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Company will reimburse the Trustees for all appropriate advances made by the Trustees or either of them and will pay to the Trustees from time to time their expenses and disbursements (including the reasonable compensation and the expenses and disbursements of all persons not regularly in their employ and, to the extent permitted by law, of their counsel) incurred without negligence or bad faith. The Company also covenants to indemnify the Trustees and each of them for, and to hold them and each of them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees or such Trustee, arising out of or in connection with the acceptance or administration of this trust, including the cost and expenses of defending against any claim of liability in the premises. For the performance of the obligations of the Company under this Section, the Trustees and each of them shall have (in addition to any other right under this Indenture) a lien prior to the bonds on the trust estate, including all property and funds held or collected by the Trustees.

If, and to the extent that the Trustees or either of them and their, its or his counsel and other persons not regularly in their, its or his employ do not receive compensation for services rendered, reimbursement of their, its or his advances, expenses and disbursements, or indemnity, as herein provided, as the result of allowances made in any reorganization, bankruptcy, receivership, liquidation or other proceeding or by any plan of reorganization or readjustment of obligations of the Company, the Trustees or either of them shall be entitled, in priority to the holders of the bonds, to receive any distributions of any securities, dividends or other disbursements which would otherwise be made to the holders of bonds in any such proceeding or proceedings and the Corporate Trustee is hereby constituted and appointed, irrevocably, the attorney in fact for the holders of the bonds

and each of them to collect and receive, in their name, place and stead, such distributions, dividends or other disbursements, to deduct therefrom the amounts due to the Trustees or either of them, their, its or his counsel and other persons not regularly in their, its or his employ on account of services rendered, advances, expenses, and disbursements made or incurred, or indemnity, and to pay and distribute the balance, pro rata, to the holders of the bonds. The Trustees or either of them shall have a lien upon any securities or other considerations to which the holders of bonds may become entitled pursuant to any such plan of reorganization or readjustment of obligations, or in any such proceeding or proceedings; and the court or judge in any such proceeding or proceedings may determine the terms and conditions under which any such lien shall exist and be enforced.

SECTION 97. Whenever in the administration of the trust of this Indenture, prior to a Default, as defined in Section 65 hereof, and after the curing of any such Default, the Trustees or either of them shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, each matter (unless other evidence in respect thereof be herein specifically prescribed) may to the extent permitted by Sections 88 and 89 hereof be deemed to be conclusively proved and established by a certificate signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company and delivered to the Trustees or either of them, and such certificate shall be full warrant to the Trustees or either of them for any action taken or suffered by them, it or him under the provisions of this Indenture upon the faith thereof.

SECTION 98. (a) Subject to the provisions of subdivision (b) of this Section, if a Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four months prior to a default (as defined in the last paragraph of this subdivision), or subsequent to such a default, then, unless and until



such default shall be cured, such Trustee shall set apart and hold in a special account for the benefit of such Trustee individually, the holders of the bonds, and the holders of other indenture securities (as defined in the last paragraph of this subdivision (a)),

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest effected after the beginning of such four months' period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subdivision (a) or from the exercise of any right of set-off which such Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of a Trustee

(A) to retain for its or his own account (i) payments made on account of any such claim by any person (other than the Company) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by such Trustee to a third person, and (iii) distribution made in cash, securities, or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law;

(B) to realize for its or his own account, upon any property held by it or him as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(C) to realize, for its or his own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it or him as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if such Trustee shall sustain the burden of proving that at the time such property was so received such Trustee had no reasonable cause to believe that a default as defined in the last paragraph of this subdivision (a) would occur within four months; or

(D) to receive payment on any claim referred to in paragraphs (B) or (C), against the release of any property held as security for such claim as provided in paragraphs (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C), and (D), property substituted after the beginning of such four months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal or in substitution for or for the purpose of repaying or refunding any pre-existing claim of a Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If a Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between such Trustee, the bondholders, and the holders of other indenture securities in such manner that such Trustee, the bondholders, and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, the same percentage of their respective claims,

figured before crediting to the claim of such Trustee anything on account of the receipt by it or him from the Company of the funds and property in such special account and before crediting to the respective claims of such Trustee, the bondholders, and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion between such Trustee, the bondholders, and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to such Trustee, the bondholders, and the holders of other indenture securities, with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such four months' period shall be subject to the provisions of this

subdivision (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four months' period, it or he shall be subject to the provisions of this subdivision (a) if and only if the following conditions exist—

(i) the receipt of property, or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such four months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

As used in this Section, the term "default" means any failure to make payment in full of the principal of or interest upon the bonds or upon the other indenture securities when and as such principal or interest becomes due and payable; and the term "other indenture securities" means securities upon which the Company is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (a) under which such Trustee is also trustee, (b) which contains provisions substantially similar to the provisions of this subdivision (a), and (c) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(b) There shall be excluded from the operation of subdivision (a) of this Section a creditor relationship arising from—

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one (1) year or more at the time of acquisition by such Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving the property subject to the Lien of this Indenture or of discharging tax liens or other prior liens or encumbrances on the trust estate, if notice of such advance and of the circumstances surrounding the making thereof is given to the bondholders as provided in subdivisions (a), (b) and (c) of Section 100 hereof with respect to advances by any Trustee as such;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depository, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in the last paragraph of this subdivision (b);

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in the last paragraph of this subdivision (b).

As used in this Section, the term "security" shall have the meaning assigned to such term in the Securities Act of 1933, as amended and in force on the date of the execution of this Indenture; the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by such Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating

or incurring of the draft, bill of exchange, acceptance or obligation; and the term "Trustee" shall include the Corporate Trustee, the Co-Trustee, and any separate trustee or co-trustee appointed pursuant to Section 103 hereof.

SECTION 99. (a) If any Trustee has or acquires any conflicting interest, as defined by subdivision (d) of this Section, such Trustee shall within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign by giving written notice to the Company, but such resignation shall not become effective until the appointment of a successor trustee and such successor's acceptance of such appointment. The Company covenants to take prompt steps to have a successor appointed in the manner hereinafter provided in Section 102 hereof. Upon giving such notice of resignation, the resigning Trustee shall publish notice thereof in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, The City of New York, once in each of three successive calendar weeks, in each case on any business day of the week. If the resigning Trustee fails to publish such notice within ten (10) days after giving written notice of resignation to the Company, the Company shall publish such notice.

(b) In the event that any Trustee shall fail to comply with the provisions of the preceding subdivision (a) of this Section, such Trustee shall within ten (10) days after the expiration of such ninety (90) days period transmit notice of such failure to the bondholders in the manner and to the extent provided in subdivision (c) of Section 100 hereof with respect to reports pursuant to subdivision (a) of Section 100 hereof.

(c) Subject to the provisions of Section 122 hereof any bondholder who has been a bona fide holder of a bond or bonds for at least six months may, on behalf of himself and all others similarly situated,

petition any court of competent jurisdiction for the removal of any Trustee and the appointment of a successor if such Trustee fails, after written request therefor by such holder, to comply with the provisions of subdivision (a) of this Section.

(d) Any Trustee shall be deemed to have a conflicting interest if—

(1) such Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company, are outstanding unless such other indenture is a collateral trust indenture under which the only collateral consists of bonds issued under this Indenture; provided that there shall be excluded from the operation of this paragraph (1) another indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if the Company shall have sustained the burden of proving, on application to the Securities and Exchange Commission and after opportunity for hearing thereon, that trusteeship under this Indenture and such other indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under one of such indentures;

(2) such Trustee or any of its directors or executive officers is an obligor upon the bonds or an underwriter for the Company;

(3) such Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the Company or an underwriter for the Company;

(4) such Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Company, or of an underwriter (other than such Trustee itself) for the Company who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of such Trustee and a director and/or an executive officer of the Company, but may not be at the same time an executive officer of both a Trustee and the Company; (B) if and so long as the number of directors

of a Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of such Trustee and a director of the Company; and (C) any Trustee may be designated by the Company or by any underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository or in any other similar capacity or, subject to the provisions of paragraph (1) of this subdivision (d), to act as trustee, whether under an indenture or otherwise;

(5) ten per centum (10%) or more of the voting securities of such Trustee is beneficially owned either by the Company or by any director, partner or executive officer thereof, or twenty per centum (20%) or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or ten per centum (10%) or more of the voting securities of such Trustee is beneficially owned either by an underwriter for the Company or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) such Trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, (A) five per centum (5%) or more of the voting securities or ten per centum (10%) or more of any other class of security of the Company, not including the bonds issued under this Indenture and securities issued under any other indenture under which such Trustee is also trustee, or (B) ten per centum (10%) or more of any class of security of an underwriter for the Company;

(7) such Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, five per centum (5%) or more of the voting securities of any person who, to the knowledge of such Trustee, owns ten per centum (10%) or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company;

(8) such Trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, ten per-



centum (10%) or more of any class of security of any person who, to the knowledge of such Trustee, owns fifty per centum (50%) or more of the voting securities of the Company; or

(9) such Trustee owns on May 15 in any calendar year in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity an aggregate of twenty-five per centum (25%) or more of the voting securities or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraphs (6), (7), or (8) of this subdivision (d). As to any such securities of which such Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed twenty-five per centum (25%) of such voting securities or twenty-five per centum (25%) of any such class of security. Promptly after May 15, in each calendar year, each Trustee shall make a check of its or his holdings of such securities in any of the above-mentioned capacities as of May 15. If the Company fails to make payment in full of principal or interest upon the bonds when and as the same becomes due and payable, and such failure continues for thirty (30) days thereafter, such Trustee shall make a prompt check of its or his holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such thirty-day period and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by such Trustee with sole or joint control over such securities vested in it or him, shall, but only so long as such failure shall continue, be considered as though beneficially owned by such Trustee for the purposes of paragraphs (6), (7), and (8) of this subdivision (d).

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subdivision (d) shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not

necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subdivision (d).

For the purposes of paragraphs (6), (7), (8) and (9) of this subdivision (d) only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for thirty (30) days or more and shall not have been cured; and (C) a Trustee shall not be deemed to be the owner or holder of (i) any security which it or he holds as collateral security (as trustee or otherwise) for an obligation which is not in default as above defined, or (ii) any security which it or he holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it or he holds as agent for collection, or as custodian, escrow agent or depositary, or in any similar representative capacity.

The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(aa) A specified percentage of the voting securities of any Trustee, the Company or any other person referred to in this Section (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(bb) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(cc) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(dd) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(1) Securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(2) Securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(3) Securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise;

(4) Securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(ee) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges, provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes, and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

The provisions of this Section which have been made specifically applicable to a Trustee, shall apply to the Corporate Trustee, the Co-Trustee and, if a separate or co-trustee is appointed pursuant to Section 103 hereof, to any separate or co-trustee, except that in case of the resignation of the Co-Trustee or a separate or co-trustee such resignation and the appointment of a successor shall (subject to the provisions of subdivision (c) of this Section) be governed by the provisions of Section 102 and paragraph (3) of Section 103 hereof.

The term "underwriter" when used with reference to the Company means every person who, within three years prior to the time as of which the determination is made, has purchased from the Company with a view to, or has sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

SECTION 100. (a) Each Trustee shall transmit, either jointly or severally as they may determine, within sixty (60) days after May 15 in each year, beginning with the year 1947, to the bondholders as hereinafter in this Section provided, a brief report dated as of such May 15 with respect to

(1) its or his eligibility and its or his qualifications under Sections 35, 88 and 99 hereof, or in lieu thereof, if to the best of its or his knowledge such Trustee has continued to be eligible and qualified under such Sections, a written statement to such effect;

(2) the character and amount of any advances (and if such Trustee elects so to state, the circumstances surrounding the making thereof) made by such Trustee as such which remain

unpaid on the date of such report, and for the reimbursement of which such Trustee claims or may claim a lien or charge, prior to that of the bonds on the trust estate or on property or funds held or collected by it or him as Trustee, provided that such Trustee shall not be required (but may elect) to state such advances, if such advances so remaining unpaid aggregate not more than one-half of one per centum ( $\frac{1}{2}$  of 1%) of the principal amount of the bonds Outstanding on the date of such report;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company to such Trustee in its or his individual capacity on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4), or (6) of subdivision (b) of Section 98 hereof;

(4) the property and funds physically in the possession of such Trustee, as such Trustee, on the date of such report;

(5) any release, or release and substitution, of property subject to the Lien of this Indenture (and the consideration therefor, if any) which has not been previously reported, provided, however, that to the extent that the aggregate value as shown by the release papers of any or all of such released properties does not exceed an amount equal to one per centum (1%) of the principal amount of bonds then Outstanding, the report need only indicate the number of such releases, the total value of property released as shown by the release papers, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by the release papers;

(6) any additional issue of bonds which has not been previously reported; and

(7) any action taken by such Trustee in the performance of its or his duties under this Indenture which it or he has not previously reported and which in its or his opinion materially affects the bonds or the trust estate, except action in respect of a Default, as defined in Section 65 hereof, notice of which has been

or is to be withheld in accordance with the provisions of Section 66 hereof.

(b) Each Trustee shall transmit to the bondholders as hereinafter provided a brief report with respect to—

(1) the release, or release and substitution, of property subject to the Lien of this Indenture (and the consideration therefor, if any) unless the fair value of such property, as set forth in the certificate or opinion required by Section 49, 59, 60, 61 or 62 hereof is less than ten per centum (10%) of the principal amount of bonds Outstanding at the time of such release, or such release and substitution, such report to be so transmitted within ninety (90) days after such time, provided that if any such report is transmitted by the Corporate Trustee no report covering the same transaction need be made by any other Trustee; and

(2) the character and amount of any advances (and if such Trustee elects so to state, the circumstances surrounding the making thereof) made by such Trustee as such since the date of the last report transmitted pursuant to the provisions of subdivision (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it or he claims or may claim a lien or charge prior to that of the bonds on the trust estate or on property or funds held or collected by it or him as Trustee, and which it or he has not previously reported pursuant to this paragraph, provided that such Trustee shall not be required (but may elect) to state such advances, if such advances remaining unpaid at any time aggregate not more than ten per centum (10%) of the principal amount of bonds Outstanding at such time, such report to be transmitted within ninety (90) days after such time.

(c) Reports pursuant to this Section shall be transmitted by mail—

(1) to all registered holders of bonds, as the names and addresses of such holders appear upon the registration books of the Company;

(2) to such holders of bonds as have, within two years preceding such transmission, filed their names and addresses with the Corporate Trustee for that purpose; and

(3) except in the case of reports pursuant to subdivision (b) of this Section, to each bondholder whose name and address is preserved at the time by the Corporate Trustee, as provided in subdivision (b) of Section 43 hereof.

(d) A copy of each such report shall, at the time of such transmission to bondholders, be filed by the Trustee with each stock exchange upon which the bonds are listed and also with the Securities and Exchange Commission. The Company will notify the Corporate Trustee of the name and address of each stock exchange on which the bonds are listed.

(e) The provisions of this Section which have been made specifically applicable to a Trustee, shall apply to the Corporate Trustee, the Co-Trustee and, if a separate or co-trustee is appointed pursuant to Section 103 hereof, to any separate or co-trustee. Notwithstanding any of the provisions of this Section which require the Co-Trustee to transmit reports to the bondholders and to file such reports with each stock exchange upon which the bonds are listed and also with the Securities and Exchange Commission, the Co-Trustee may, if it so elects, furnish to the Corporate Trustee all information concerning the Co-Trustee which the Co-Trustee is required to report, and the Corporate Trustee shall transmit and file such information, in accordance with the provisions of this Section, on behalf of the Co-Trustee.

SECTION 101. Any Trustee may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company specifying the day upon which such resignation shall take effect and thereafter publishing notice thereof, in one Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, once in each of three successive

calendar weeks, in each case on any business day of the week, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the bondholders or the Company in the manner hereinafter provided in Section 102 and in such event such resignation shall take effect immediately on the appointment of such successor trustee. This Section shall not be applicable to resignations pursuant to Section 99 hereof.

Any Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with such Trustee and signed and acknowledged by the holders of a majority in principal amount of the bonds then Outstanding hereunder (determined as provided in Section 71 hereof) or by their attorneys in fact duly authorized.

In case at any time the Corporate Trustee or the Co-Trustee shall cease to be eligible in accordance with the provisions of Section 35 or Section 88 hereof, then the Trustee so ceasing to be eligible shall resign immediately in the manner and with the effect in this Section provided; and, in the event that it or he does not resign immediately in such case, then it or he may be removed forthwith by an instrument or concurrent instruments in writing filed with the Trustee so ceasing to be eligible and either (a) signed by the President or a Vice-President of the Company with its corporate seal attested by a Secretary or an Assistant Secretary of the Company or (b) signed and acknowledged by the holders of a majority in principal amount of the bonds then Outstanding hereunder (determined as provided in Section 71 hereof) or by their attorneys in fact duly authorized.

SECTION 102. In case at any time any Trustee shall resign or shall be removed (unless such Trustee shall be removed as provided in subdivision (c) of Section 99 hereof in which event the vacancy shall be filled as provided in said subdivision) or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of any Trustee or of its or his property shall be appointed, or if any public officer shall take charge or control of any Trustee or of its or



his property or affairs for the purpose of rehabilitation, conservation or liquidation, a vacancy shall be deemed to exist in the office of such Trustee, and a successor or successors may be appointed by the holders of a majority in principal amount of the bonds then Outstanding hereunder (determined as provided in Section 71 hereof) by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys in fact duly authorized, and delivered to such new Trustee, notification thereof being given to the Company and the retiring Trustee; provided, nevertheless, that until a new Trustee shall be appointed by the bondholders as aforesaid, the Company, by instrument executed by order of its Board of Directors and duly acknowledged by its President or a Vice-President, may appoint a Trustee to fill such vacancy until a new Trustee shall be appointed by the bondholders as herein authorized. The Company shall publish notice of any such appointment made by it in the manner provided in Section 101 hereof. Any new Trustee appointed by the Company shall, immediately and without further act, be superseded by a Trustee appointed by the bondholders as above provided, if such appointment by the bondholders be made prior to the expiration of one year after the first publication of notice of the appointment of the new Trustee by the Company.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within six months after a vacancy shall have occurred in the office of Trustee, the holder of any bond hereby secured or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

If any Trustee resigns because of a conflict of interest as provided in subdivision (a) of Section 99 hereof and a successor has not been appointed by the Company or the bondholders or, if appointed, has not accepted the appointment, within thirty (30) days after the

date of such resignation, the resigning Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee.

Any Trustee appointed under the provisions of this Section in succession to the Corporate Trustee shall be a bank or trust company eligible under Sections 35 and 88 hereof and qualified under Section 99 hereof.

Any Trustee which has resigned or been removed shall nevertheless retain the lien afforded to it or him by Section 96 hereof upon the trust estate, including all property or funds held or collected by such Trustee, as such, to secure the amounts due to such Trustee as compensation, reimbursement, expenses and indemnity, and shall retain the rights afforded to it or him by said Section 96 hereof.

SECTION 103. All the estates, rights, titles and interest by this Indenture conveyed or assigned or transferred to the Trustees are (to the extent permitted by law) conveyed, assigned and transferred to them as joint tenants and not as tenants in common.

Except as herein expressly provided to the contrary, any notice, request, or other writing by or on behalf of the Company delivered solely to the Corporate Trustee shall be deemed to have been delivered to both of the Trustees hereunder as effectually as if delivered to each of them.

All cash collected by, or payable to, the Trustees or either of them pursuant to this Indenture shall be paid to and deposited with, and all stocks, bonds and other obligations or securities shall be held by the Corporate Trustee, except as otherwise required by law. Any moneys at any time coming into the hands of the Co-Trustee pursuant to this Indenture shall be at once paid over to the Corporate Trustee.

Whenever any moneys, bonds, shares of stock or other obligations are, under any provision of this Indenture, paid or delivered to or deposited with the Corporate Trustee, title to the same shall be deemed to be vested in both Trustees hereunder, and the same shall be deemed

for all purposes hereunder to be part of the security for the bonds issued hereunder, but nothing in this Section contained shall be deemed to affect or impair any power or right conferred by any provision of this Indenture upon the Corporate Trustee to apply, disburse or otherwise act or deal with respect to any moneys, bonds, shares of stock or other obligations received or held by it as aforesaid.

Any request in writing by the Corporate Trustee to the Co-Trustee shall be a sufficient warrant (subject to the provisions of Sections 88 and 89 hereof) for the Co-Trustee to take such action as may be so requested.

The Co-Trustee or any successor, so far as permitted by law, may delegate to the Corporate Trustee, or any successor, the exercise of any power, discretionary or otherwise, conferred by any of the provisions of this Indenture.

The Co-Trustee has been joined as trustee in order to comply with any legal requirements respecting trustees under mortgages or deeds of trust of property in the States, or some of them, in which the mortgaged premises or part thereof are or may be situate, and shall as such trustee possess such powers, and such powers only, as may be necessary to comply with such requirements. If by reason of the repeal of such requirements, or for any other reason, it shall not be necessary, in the opinion of counsel, that there shall be a Co-Trustee and the Company shall file with the Corporate Trustee and also with the Co-Trustee, an Opinion of Counsel to that effect and a written request for the resignation or removal of the Co-Trustee, the Original Co-Trustee, or any successor, will thereupon resign or shall forthwith cease to be a Trustee hereunder, and all powers of the Co-Trustee shall forthwith terminate, as shall his right, title or interest in and to the trust estate; and, unless and until there shall be appointed a new Trustee or successor to the Co-Trustee, all the right, title and powers of the Trustees shall devolve upon the Corporate Trustee and its successors alone.

Any rights, powers, duties and obligations by any provisions of this Indenture conferred or imposed upon the Trustees or any of them shall,

in so far as permitted by law, be conferred or imposed upon and exercised or performed by the Corporate Trustee alone without reference to the Co-Trustee, and the Co-Trustee hereby irrevocably constitutes and appoints the Corporate Trustee his true and lawful attorney in fact with full power and authority, in so far as permitted by law, either in the name and on behalf of the Co-Trustee or of the Trustees jointly to exercise any and all rights or powers conferred upon the Co-Trustee alone, or upon the Trustees jointly, by any of the provisions of this Indenture, but subject to the duties hereby imposed upon the Co-Trustee, hereby ratifying and confirming all and singular the acts and things lawfully done by the Corporate Trustee by virtue of this power of attorney, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Corporate Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by the Co-Trustee.

At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any State or jurisdiction in which any part of the Mortgaged and Pledged Property then or to become subject to the Lien of this Indenture may be located, the Company and the Trustees or the Corporate Trustee shall have power to appoint, and, upon the request of the Trustees or the Corporate Trustee the Company shall for such purpose join with the Trustees or the Corporate Trustee in the execution, delivery and performance of, all instruments and agreements necessary or proper to appoint another corporation or one or more persons approved by the Trustees or the Corporate Trustee, either to act as separate trustee or trustees, or co-trustee or co-trustees jointly with the Trustees or the Corporate Trustee, of all or any of the property subject to the Lien hereof. In the event that the Company shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Trustees or the Corporate Trustee alone shall have power to make such appointment.

Every separate trustee, every co-trustee and every successor trustee, other than any trustee which may be appointed as successor to the Original Corporate Trustee or the Original Co-Trustee, shall, to the extent permitted by law, but to such extent only, be appointed subject to the following provisions and conditions, namely:

(1) The rights, powers, duties and obligations conferred or imposed upon trustees hereunder or any of them shall be conferred or imposed upon and exercised or performed by the Corporate Trustee or the Trustees, or the Corporate Trustee and such separate trustee or separate trustees or co-trustee or co-trustees jointly, as shall be provided in the instruments and agreements appointing such separate trustee or separate trustees or co-trustee or co-trustees, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Corporate Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by the Co-Trustee or by such separate trustee or separate trustees or co-trustee or co-trustees;

(2) The bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustees or the Corporate Trustee in respect of the custody of all bonds and other securities and of all cash pledged or deposited hereunder, shall be exercised solely by the Original Corporate Trustee or its successors in the trust hereunder; and

(3) The Company, the Corporate Trustee and the Co-Trustee, at any time by an instrument in writing executed by them jointly, may accept the resignation of or remove any separate trustee or co-trustee appointed under this Section or otherwise, and, upon the request of the Corporate Trustee, the Company shall, for such purpose, join with the Corporate Trustee and the Co-Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. In the event that the Company shall not have joined in such action within fifteen (15) days

after the receipt by it of a request so to do, the Corporate Trustee and the Co-Trustee alone shall have power to accept such resignation or to remove any such separate trustee or co-trustee. A successor to a separate trustee or co-trustee so resigned or removed may be appointed in the manner provided in this Section.

No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder. .

Any notice, request or other writing, by or on behalf of the holders of the bonds delivered to the Original Corporate Trustee, or its successor in the trust hereunder, shall be deemed to have been delivered to all of the then trustees or co-trustees as effectually as if delivered to each of them. Every instrument appointing any trustee or trustees other than a successor to the Original Corporate Trustee shall refer to this Indenture and the condition in this Article expressed, and upon the acceptance in writing by such trustee or trustees or co-trustee or co-trustees, he, they or it shall be vested with the estates or property specified in such instrument, either jointly with the Original Corporate Trustee, or its successor, or separately, as may be provided therein, subject to all the trusts, conditions and provisions of this Indenture; and every such instrument shall be filed with the Original Corporate Trustee or its successor in the trust hereunder. Any separate trustee or trustees, or any co-trustee or co-trustees, may at any time by an instrument in writing constitute the Original Corporate Trustee or its successor in the trust hereunder his, their or its agent or attorney in fact, with full power and authority, to the extent which may be permitted by law, to do any and all acts and things and exercise any and all discretion authorized or permitted by him, them or it, for and in behalf of him, them or it, and in his, their or its name. In case any separate trustee or trustees or co-trustee or co-trustees, or a successor to any of them, shall die, become incapable of acting, resign or be removed, all the estates, property, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee, so far as permitted

by law, shall vest in and be exercised by the Original Corporate Trustee or its successor in the trust hereunder, without the appointment of a new trustee as successor to such separate trustee or co-trustee.

SECTION 104. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to his or its predecessor trustee, and also to the Company, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of his or its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the trustee ceasing to act shall nevertheless, on the written request of the Company, or of the successor trustee, or of the holders of ten per centum (10%) in principal amount of the bonds then Outstanding hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor trustee all the right, title and interest of the trustee to which he or it succeeds, in and to the Mortgaged and Pledged Property and such rights, powers, trusts, duties and obligations, and the trustee ceasing to act shall also, upon like request, pay over, assign and deliver to the successor trustee any money or other property subject to the Lien of this Indenture, including any pledged securities which may then be in his or its possession. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to such new trustee such estates, properties, rights, powers, trusts and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company.

SECTION 105. Any corporation into which the Corporate Trustee may be merged or with which it may be consolidated or any corpora-

tion resulting from any merger or consolidation in which the Corporate Trustee shall be a party or any corporation to which substantially all the business and assets of the Corporate Trustee may be transferred, provided such corporation shall be eligible under the provisions of Sections 35 and 88 hereof and qualified under Section 99 hereof, shall be the successor Corporate Trustee under this Indenture, without the execution or filing of any paper or the performance of any further act on the part of any other parties hereto, anything herein to the contrary notwithstanding. In case any of the bonds contemplated to be issued hereunder shall have been authenticated but not delivered, any such successor to the Corporate Trustee may, subject to the same terms and conditions as though such successor had itself authenticated such bonds, adopt the certificate of authentication of the Original Corporate Trustee or of any successor to it, as trustee hereunder, and deliver the said bonds so authenticated; and in case any of said bonds shall not have been authenticated, any successor to the Corporate Trustee may authenticate such bonds either in the name of any predecessor hereunder or in the name of the successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in said bonds or in this Indenture provided that the certificate of the Corporate Trustee shall have; provided, however, that the right to authenticate bonds in the name of the Original Corporate Trustee shall apply only to its successor or successors by merger or consolidation or sale as aforesaid.

#### **ARTICLE XVIII.**

##### **Discharge of Mortgage.**

SECTION 106. The Trustees (and any trustee or trustees or co-trustee or co-trustees appointed pursuant to the provisions of this Indenture) may, and upon request of the Company shall, cancel and discharge the Lien hereof and of all indentures supplemental hereto and execute and deliver to the Company such deeds and instruments as shall



be requisite to satisfy the Lien hereof and of all indentures supplemental hereto, and reconvey and transfer to the Company the Mortgaged and Pledged Property, whenever all indebtedness secured hereby shall have been paid, including all proper charges of the Trustees hereunder.

Notwithstanding the satisfaction and discharge of this Indenture, the Trustees shall have an unsecured right to charge and be reimbursed for any expenditures and liabilities (incurred in good faith and without negligence by the Trustees) which they or either of them may thereafter incur.

Bonds and interest obligations for the payment of which and bonds for the redemption of which moneys in the necessary amount shall have been set apart by or deposited with the Corporate Trustee, with irrevocable direction so to apply the same, subject to the provisions of Section 119 hereof (with or without any additional right given to the holders to surrender their bonds or obtain therefrom payment therefor prior to the redemption date) shall for purposes of satisfying the Lien of this Indenture be deemed to have been paid; provided that in case of redemption the notice requisite to the validity of such redemption shall have been given or arrangements shall have been made insuring to the satisfaction of the Corporate Trustee that the same will be given.

## **ARTICLE XIX.**

### **Meetings of Bondholders.**

SECTION 107. Modifications and alterations of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the rights of the holders of bonds and coupons issued hereunder may be made as provided in the nine next succeeding Sections hereof numbered 108 to 116, both inclusive.

SECTION 108. The Corporate Trustee may at any time call a meeting of the bondholders and it shall call such a meeting on written request of the holders of not less than a majority in principal amount of the bonds Outstanding hereunder (determined as provided in Section 71 hereof) at the time of such request. The Company, pursuant to a Resolution of its Board of Directors, may also call a meeting of the bondholders at any time. In each such case the purpose or purposes of such meeting shall be set forth in reasonable detail. In the event of the Corporate Trustee's failing for ten (10) days to call a meeting after being thereunto requested by the bondholders as above set forth, holders of Outstanding bonds to the amounts above specified in this Section or the Company, pursuant to Resolution of its Board of Directors, may call such meeting. Every such meeting called by and at the instance of the Corporate Trustee shall be held in the Borough of Manhattan, The City of New York, or with the written approval of the Company, at any other place in the United States of America, and written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Corporate Trustee not less than thirty (30) days before such meeting (a) to all holders of bonds the names and addresses of whom are then preserved as required by Section 43 hereof, and (b) to the Company addressed to it at the address given in the first paragraph of this Indenture (or at such other address as may be designated by the Company from time to time), and shall be published by the Corporate Trustee once on at least four different days preceding the meeting, in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, the first publication to be not less than twenty (20) days prior to the date of such meeting; provided, however, that the mailing of such notice to any bondholders shall in no case be a condition precedent to the validity of any action taken at such meeting. If such meeting is called by or at the instance either of the Company or of the bondholders, it shall be held at such place in the United States of America

as may be specified in the notice calling such meeting and notice thereof shall be sufficient for all purposes hereof if given by newspaper publication as aforesaid stating the place and time of the meeting and in general terms the business to be submitted. Any meeting of bondholders shall be valid without notice if the holders of all bonds then Outstanding hereunder are present in person or by proxy and if the Company and the Corporate Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by the Company, the holders of all bonds Outstanding hereunder and by the Corporate Trustee, or by such of them as are not present in person or by proxy.

SECTION 109. Officers and nominees of the Corporate Trustee and of the Company and of the Co-Trustee or their or its nominees may attend such meeting, but shall not as such be entitled to vote thereat. Attendance by bondholders may be in person or by proxy. In order that the holder of any bond payable to bearer and his proxy may attend and vote without producing his bond, the Corporate Trustee, with respect to any such meeting called by the Corporate Trustee, may make and from time to time vary such regulations as it shall think fit for deposit of bonds with, or the stamping of bonds by, any banks, bankers or trust or insurance companies, and for the issue to the persons depositing the same of certificates by such depositaries entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting in the same way as if the persons so present and voting, either personally or by proxy, were the actual bearers of the bonds in respect of which such certificates shall have been issued and any regulations so made shall be binding and effective. In lieu of or in addition to providing for such deposit, the Corporate Trustee may, in its discretion, permit such institutions to issue certificates stating that bonds were exhibited to them, which certificates shall entitle the holders thereof to vote at any meeting only if the bonds with

respect to which they are issued are not produced at the meeting by any other person and are not at the time of the meeting registered in the name of any other person. Each such certificate shall state the date on which the bond or bonds in respect of which such certificate shall have been issued were deposited with or submitted to such institution and the series, maturities and serial numbers of such bonds. In the event that two or more such certificates shall be issued with respect to any bond or bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede any certificate or certificates previously issued with respect to such bond or bonds. If any such meeting shall have been called, under the provisions of Section 108 hereof, by bondholders or by the Company, regulations to like effect for such deposit, stamping or exhibition of bonds and the issue of certificates by any bank or trust company organized under the laws of the United States of America or of any State thereof, having a capital of not less than Five Hundred Thousand Dollars (\$500,000) shall be similarly binding and effective for all purposes hereof if adopted or approved by the bondholders calling such meeting or by the Board of Directors of the Company, if such meeting shall have been called by the Company, provided that in either such case copies of such regulations shall be filed with the Corporate Trustee.

SECTION 110. Subject to the restrictions specified in Sections 109 and 113 hereof, any registered holder of bonds Outstanding hereunder and any holder of a certificate (not superseded) provided for in Section 109 hereof, shall be entitled in person or by proxy to attend and vote at such meeting as holder of the bonds registered or certified in the name of such holder without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by any authorized representative of the Corporate Trustee or the Company or by any other bondholder, produce the bonds claimed to be owned or represented at such meeting, and everyone seeking to attend or vote shall, if required as aforesaid, produce such further proof of

bond ownership or personal identity as shall be satisfactory to the authorized representative of the Corporate Trustee, or if none be present then to the Inspectors of Votes hereinafter provided for. Proxies shall be acknowledged before a Notary Public or other officer authorized to take acknowledgments or their genuineness shall be otherwise established to the satisfaction of the Inspectors of Votes, and all proxies and certificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Corporate Trustee.

SECTION 111. Persons named by the Corporate Trustee if it is represented at the meeting shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Corporate Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, the bondholders and proxies present shall by a majority vote, irrespective of the amount of their holdings, elect another person or other persons from those present to act as temporary Chairman and/or Secretary. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the bondholders and proxies present by a majority vote of bonds represented. The Corporate Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who shall decide as to the right of anyone to vote and shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary, both temporary and permanent, as aforesaid, and who shall make and file with the permanent Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Corporate Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting, the vacancy shall be filled by appointment by the permanent Chairman of the meeting.

SECTION 112. Subject to the provisions of Section 116 hereof, the holders of not less than seventy per centum (70%) in principal amount

of the bonds Outstanding hereunder when such meeting is held must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn; provided, however, that if such meeting is adjourned by less than a quorum for more than fourteen (14) days, notice thereof shall forthwith be mailed by the Corporate Trustee if such meeting shall have been called by the Corporate Trustee (a) to the Company addressed to it at the address given in the first paragraph of this Indenture (or at such other address as may be designated by the Company in writing from time to time), and (b) to all holders of bonds then Outstanding hereunder, the names and addresses of whom are then preserved by the Corporate Trustee as required by the provisions of Section 43 hereof, and shall be published at least once in each fourteen (14) day period of such adjournment in a Daily Newspaper printed in the English language and of general circulation in the Borough of Manhattan, The City of New York. The failure to mail such notice to any such bondholder as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called, under the provisions of Section 108 hereof, by bondholders or by the Company, notice of such adjournment shall be given by the permanent Chairman and permanent Secretary of the meeting in the newspaper and for the number of times above specified in this Section and shall be sufficient if so given.

SECTION 113. Subject to the provisions of Sections 71, 80 and 116 hereof, any modification or alteration of this Indenture (including any indenture supplemental hereto) and/or of the rights and obligations of the Company and/or the rights of the holders of bonds and/or coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote of the holders of seventy per centum (70%) or more in principal amount

of the bonds Outstanding hereunder, and, if the rights of one or more, but less than all, series of bonds then Outstanding are to be affected by action taken at such meeting, then also by affirmative vote of the holders of at least seventy per centum (70%) in principal amount of each series of bonds so to be affected and Outstanding hereunder, when such meeting is held, and in every case approved by Resolution of the Board of Directors of the Company as hereinafter specified; provided, however, that no such modification or alteration shall, without the consent of the holder of any bond issued hereunder affected thereby, (1) impair or affect the right of such holder to receive payment of the principal of (and premium, if any) and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, or (2) permit the creation of any lien ranking prior to, or on a parity with, the Lien of this Indenture with respect to any of the Mortgaged and Pledged Property, or (3) permit the deprivation of any non-assenting bondholder of the benefit of a lien upon the Mortgaged and Pledged Property for the security of his bonds (subject only to the lien of taxes, assessments or governmental charges not then delinquent and to any mortgage or other liens existing upon such property which are prior hereto at the date of the calling of any such bondholders' meeting), or (4) permit the modification of the obligations of the Company under the provisions of Section 64 hereof, or (5) permit the reduction of the percentage required by the provisions of this Section for the taking of any action under this Section with respect to any bond Outstanding hereunder.

Except for the purpose of waiving any past Default, defined in Section 65 hereof, of the Company and the consequences thereof, in which event the provisions of Section 71 hereof shall be applicable, bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, or any corporation of which the Company shall own twenty-five per centum (25%) or more of the out-

standing voting stock, shall not be deemed Outstanding for the purpose of any vote or of any calculation of bonds Outstanding in this Article XIX provided for, except that, subject to the provisions of Sections 88 and 89 hereof, for the purpose of determining whether the Trustees, or either of them, shall be protected in relying on any such vote or calculation, only bonds which the Trustees, or either of them, know are so owned and/or held, shall be so excluded.

SECTION 114. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the permanent Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts showing a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under the provisions of Section 112 hereof, and showing that said notices were mailed and published as provided in Section 108 hereof and, in a proper case, as provided in Section 112 hereof. Such record shall be signed and verified by the affidavits of the permanent Chairman and the permanent Secretary of the meeting, and one duplicate thereof shall be delivered to the Company and the other to the Corporate Trustee for preservation by the Corporate Trustee. Any record so signed and verified shall be proof of the matters therein stated, and if such record shall also be signed and verified by the affidavit of a duly authorized representative of the Corporate Trustee, such meeting shall be deemed conclusively to have been duly convened and held and such record shall be conclusive, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Corporate Trustee to all holders of bonds Outstanding hereunder, the names and addresses of whom are then preserved by the Corporate Trustee pursuant to the provisions of Section 43 hereof, and proof of such mailing by the affidavit of some person having knowledge of the fact



shall be filed with the Corporate Trustee, but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof. No such resolution shall be binding until and unless such resolution is approved by Resolution of the Board of Directors of the Company, of which such Resolution of approval, if any, it shall be the duty of the Company to file a copy certified by the Secretary or an Assistant Secretary of the Company with the Corporate Trustee, but if such Resolution of the Board of Directors of the Company is adopted and a certified copy thereof is filed with the Corporate Trustee, the resolution so adopted by such meeting shall (to the extent permitted by law) be deemed conclusively to be binding upon the Company, the Trustees and the holders of all bonds and coupons issued hereunder, at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution, or annulling the action taken thereby in a legal action or equitable proceeding for such purposes commenced within such sixty (60) day period; provided, however, that no such resolution of the bondholders, or Resolution of the Company, shall in any manner change or modify or be so construed as to change or modify any of the rights, immunities, or obligations of the Trustees or of either of them without their, its or his written assent thereto.

SECTION 115. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Corporate Trustee as to the action taken at meetings of bondholders theretofore held, and upon demand of the holder of any bond Outstanding at the date of any such meeting and presentation of his bond for the purpose at the principal office of the Corporate Trustee, the Company shall cause suitable notation to be made on such bond by endorsement or otherwise as to any action taken at any meeting of bondholders theretofore held. If the Company or the Corporate Trustee shall so determine, new bonds so modified as in the opinion of the Corporate Trustee and the Board of Directors of the Company to

conform to such bondholders' resolution shall be prepared, authenticated and delivered, and upon demand of the holder of any bond then Outstanding and affected thereby shall be exchanged without cost to such bondholder for bonds then Outstanding hereunder upon surrender of such bonds with all unmatured coupons, if any, appertaining thereto. The Company or the Corporate Trustee may require bonds Outstanding to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture (including any indenture supplemental hereto) made at any bondholders' meeting and approved, by Resolution of the Board of Directors of the Company, as aforesaid, may be executed by the Trustees and the Company and upon demand of the Corporate Trustee, or if so specified in any resolution adopted by any such bondholders' meeting, shall be executed by the Company and the Trustees.

Any instrument supplemental to this Indenture executed pursuant to the provisions of this Section, shall comply with all applicable provisions of the Trust Indenture Act of 1939 as in force on the date of the execution of such supplemental indenture.

SECTION 116. Notwithstanding anything in this Article contained, the Company may at any time, and from time to time, by Resolution of the Board of Directors filed with the Corporate Trustee, stipulate that from and after the date of the filing of such Resolution with the Corporate Trustee no action thereafter taken under the provisions of this Article shall be of any force and effect whatever either as respects (1) all bonds theretofore authenticated and delivered by the Corporate Trustee hereunder and then Outstanding and/or (2) as to any bonds and/or all bonds thereafter authenticated and delivered by the Corporate Trustee hereunder, and in any such event a supplemental indenture setting out in detail the stipulations contained in such Resolution shall be made.

**ARTICLE XX.**

**Miscellaneous.**

SECTION 117. Nothing in this Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding hereunder, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding hereunder.

SECTION 118. Any money which is held by the Corporate Trustee (other than money which is held by it for the purpose of effecting the purchase, payment or redemption of any bonds issued hereunder or the payment of any coupons or interest claims appertaining to bonds issued hereunder or which it has been directed to apply to any such purchase, payment or redemption) shall, at the request of the Company evidenced by a Resolution, be invested or reinvested by the Corporate Trustee in any bonds or other obligations of the United States of America designated by the Company, and, unless the Company is in default in the payment of interest on any of the bonds then Outstanding hereunder or one or more of the Defaults defined in Section 65 hereof shall have occurred and be continuing, any interest on such bonds or other obligations which may be received by the Corporate Trustee shall be forthwith paid to the Company. Such bonds or other obligations shall be held by the Corporate Trustee as a part of the Mortgaged and Pledged Property and subject to the same provisions hereof as the cash used to purchase the same, but upon a like request of the Company, the Corporate Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Corporate Trustee subject

to the same provisions hereof as were applicable to the cash used by it to purchase the bonds or other obligations so sold. If such sale shall produce a net sum less than the cost of the bonds or other obligations so sold, the Company covenants that it will pay promptly to the Corporate Trustee such amount of cash as with the net proceeds from such sale will equal the cost of the bonds or other obligations so sold, and if such sale shall produce a net sum greater than the cost of the bonds or other obligations so sold, the Corporate Trustee shall promptly pay to the Company an amount in cash equal to such excess.

Unless the Company is in Default, as defined in Section 65 hereof, any money in excess of the sum of Fifty Thousand Dollars (\$50,000) which shall have been held by the Corporate Trustee for a period of five (5) years, invested or uninvested (other than money which is held by it for the purpose of effecting the purchase, payment or redemption of any bonds issued hereunder or the payment of any coupons or interest claims appertaining to bonds issued hereunder or which it has been directed to apply to any such purchase, payment or redemption), shall be applied by the Corporate Trustee to the purchase of bonds of any or all series in the manner provided for in Section 55 hereof, and at the price or prices, in the judgment of the Corporate Trustee most favorable to the Company (but not in excess of the maximum prices provided for in said Section 55) or in the discretion of the Corporate Trustee to the redemption of bonds selected as provided in Section 52 hereof from the bonds of all series then redeemable. In the case of any such redemption the Corporate Trustee shall have power to give any and all redemption notices for or on behalf of the Company.

SECTION 119. In the event that any bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for the redemption thereof, or in the event that any coupon shall not be presented for payment at the due date thereof and the Company shall have deposited with the Corporate Trustee or any paying agent for the purpose or left

with either of them if previously so deposited, money sufficient to pay the principal of such bond (and premium, if any), together with all interest due thereon to the date of the maturity of such bond or to the date fixed for the redemption thereof, or to pay such coupon, as the case may be, for the use and benefit of the holder thereof, the Corporate Trustee or such paying agent shall, upon demand of the Company, in case the holder of any such bond or coupon shall not, within six (6) years after the maturity of any such bond or coupon or the date fixed for the redemption of any such bond, claim the amount deposited as above stated for the payment thereof, pay over to the Company such amount so deposited, if the Company is not at the time in default hereunder; and the Corporate Trustee or such paying agent shall thereupon be relieved from all responsibility to the holder thereof, and in the event of such payment to the Company the holder of any such bond or coupon shall (subject to any applicable statute of limitations) be deemed to be an unsecured creditor of the Company for an amount equivalent to the amount deposited as above stated for the payment thereof and so paid over to the Company.

SECTION 120. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of this Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued hereunder and provide that a breach thereof shall be equivalent to a default under this Indenture, or the Company may cure any ambiguity contained herein, or in any supplemental indenture, or may (in lieu of establishment by Resolution as provided in Section 8 hereof) establish the terms and provisions of any series of bonds other than the First Series, by an instrument in

writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the Lien hereof shall be situated. The Trustees are hereby authorized to join with the Company in the execution of any such instrument or instruments. Such instrument, executed and acknowledged as aforesaid, shall be delivered to the Trustees, and thereupon any modification of the provisions of these presents therein set forth, authorized by this Section, shall be binding upon the parties hereto, their successors and assigns, and the holders of the bonds and coupons hereby secured. Anything herein contained to the contrary notwithstanding, this Section shall not be construed to permit any act, waiver, surrender or restriction adversely affecting any bonds then Outstanding hereunder.

SECTION 121. Each certificate or opinion which is specifically required by the provisions of this Indenture to be delivered to the Corporate Trustee with respect to compliance with a condition or covenant herein contained shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not in the opinion of such person such condition or covenant has been complied with.

Whenever any action to be taken by the Corporate Trustee upon the request or application of the Company pursuant to any of the provisions of this Indenture is dependent upon the compliance by the Company with any conditions precedent (including any covenants compliance with which constitutes a condition precedent) provided for in this Indenture, every such request or application shall be accompanied

by an Officers' Certificate and an Opinion of Counsel stating in each case that in the opinion of the person making such certificate or opinion the conditions precedent to such action, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent), have been complied with.

The same officer or officers of the Company, or the same engineer or counsel or other person, as the case may be, need not certify to all the matters required to be certified under the provisions of any Article, Section, subsection, subdivision, paragraph or clause hereof, but different officers, engineers, counsel or other persons may certify to different facts respectively.

SECTION 122. All parties to this Indenture agree, and each holder or owner of any bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustees or either of them for any action taken or omitted by them, as Trustees, or by it or him, as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustees or either of them, to any suit instituted by any bondholder, or group of bondholders, holding in the aggregate more than ten per centum (10%) in principal amount of the bonds Outstanding (determined as provided in Section 71 hereof), or to any suit instituted by any bondholder for the enforcement of the payment of the principal of or interest on any bond, on or after the respective due dates expressed in such bond.

SECTION 123. Subject to the provisions of Article XVI and Article XVII hereof, whenever in this Indenture any of the parties hereto is

named or referred to (except in subdivision (1) of Section 5 hereof) this shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 124. If any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture which has been required to be included pursuant to any requirements of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

SECTION 125. Wherever reference is made in this Indenture to the Trust Indenture Act of 1939 (except in Section 115 hereof), reference is made to such Act as it was in force on the date of the execution of this Indenture.

SECTION 126. The titles of the several Articles of this Indenture and the marginal sectional and marginal Article references shall not be deemed to be any part thereof.

SECTION 127. This Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

## ARTICLE XXI.

### Specific Description of Property.

FIRST: The following described real property, situated on the west bank of the Willamette River, in the City of Portland, County of Multnomah, State of Oregon, being the site of the Company's gas and by-products manufacturing plant, namely:



All that part of Sections 12 and 13, Township 1 North, Range 1 West of Willamette Meridian, being a part of the W. W. Baker Donation Land Claim, bounded and described as follows:

Beginning at the most northerly corner of the Milton Doane Donation Land Claim, running thence south  $32^{\circ}00'$  west, tracing the westerly boundary of said Donation Land Claim, 25 chains 50 links to a stone monument near the middle of the right of way of the Northern Pacific Railway Company; thence south  $44^{\circ}30'$  west, still tracing said Claim line, to the middle of the St. Helens Road, 80 feet in width, formerly known as the Portland and Linnton Boulevard; thence northwesterly, tracing said center line of said road, to its point of intersection with the southwesterly projection of the easterly boundary of the tract of land known as the Government Moorings, conveyed by T. L. Eliot and Henrietta R. Eliot, his wife, to The United States of America by deed dated June 10, 1905, and recorded in Book 342 of Deeds at page 146, records of said Multnomah County; thence northeasterly, tracing said southwesterly projection and said easterly boundary of said Government Moorings tract, to its intersection with the harbor line on the west bank of the Willamette River; thence southeasterly, tracing said harbor line, to its intersection with the projection northeasterly of said westerly boundary of said Milton Doane Donation Land Claim; thence south  $32^{\circ}00'$  west, along said projection of said boundary line, to the point of beginning; together with all wharfage, riparian, and other rights appurtenant to said tract; subject, however, to the easement or right of way for railroad purposes over a strip of land sixty feet in width across the westerly side of said tract, approximately parallel to said St. Helens Road, as conveyed to the Northern Pacific Railroad Company by deed of H. P. Isaacs and wife dated March 13, 1883, and recorded in Book 65 of Deeds at page 242, records of said Multnomah County; and subject to the rights of the public in said St. Helens Road, located westerly of said Northern Pacific right of way, and to the rights of the public in North Front Avenue, a dedicated but unopened street over and across the southeasterly corner of said tract; said tract containing approximately 46.5 acres, exclusive of the areas in

the railroad, county road, and street rights of way above referred to.

**SECOND:** The following described real property situated on the west bank of the Willamette River in the City of Portland, County of Multnomah, State of Oregon, adjoining the tract of land described in Paragraph First of this Article XXI, being land acquired and held by the Company for future expansion and development of the manufacturing plant referred to in said Paragraph First, namely:

That certain tract or parcel of land bounded and described as follows:

Beginning at a point, marked by an iron pipe on the boundary line between the Milton Doane and the W. W. Baker Donation Land Claims, which is north 32°00' east 419.21 feet from an iron pipe at the angular corner on said boundary line between said donation land claims; thence southeasterly, tracing the easterly line of the property conveyed by P. J. Mann and wife to Portland and Seattle Railway Company by deed dated August 7, 1906, and recorded in Book 367 of Deeds, at page 251, in the records of said Multnomah County, a distance of 1154.66 feet; thence north 32°00' east 1768.32 feet, more or less to a point on the meander line of the Willamette River; thence continuing north 32°00' east a distance of 186 feet, more or less, to a point on the harbor line; thence north 60°45' west, tracing said harbor line, 1058.5 feet, more or less, to a point on the projection north-easterly of said boundary line between said donation land claims; thence along said projection of said boundary line south 32°00' west 220.94 feet, more or less, to the most northerly corner of said Milton Doane Donation Land Claim; thence south 32°00' west, tracing said boundary line between said donation land claims, a distance of 1218.49 feet, more or less, to the point of beginning; together with all wharfage, riparian, and other rights appurtenant to the above described property or any thereof; but subject to the rights of the public in North Front Avenue, a dedicated but unopened street, over and across the southerly and southwesterly part of said tract; said tract containing 38.499 acres, more or less, exclusive of the area in said North Front Avenue.

THIRD: The following described real property situated in the City of Portland, County of Multnomah, State of Oregon, being the site of the Company's so-called "Station E", upon which are located certain gas holders, compressors, and other equipment, namely:

A tract of land in Section 11, Township 1 South, Range 1 East of Willamette Meridian, bounded and described as follows:

Beginning at the intersection of the north line of Southeast Taggart Street and the east line of Southeast 9th Avenue; thence north  $0^{\circ}13'$  east, along the east line of said Southeast 9th Avenue, 567.87 feet; thence east, and parallel to said north line of Southeast Taggart Street, 133.66 feet to the southeast corner of a tract of land conveyed to Montague-O'Reilly Company by Ladd Estate Company by deed dated January 6, 1924, and recorded in Book 952 of Deeds at page 233, records of said Multnomah County; thence, on a curve to the left with 350.8 foot radius the initial tangent to which bears north  $17^{\circ}19'40''$  west, a distance of 64.67 feet; thence north  $27^{\circ}53'30''$  west, 73.05 feet to a point in a line 33 feet southwesterly of and parallel to the southwesterly line of the right of way of the Oregon and California Railroad Company; thence south  $51^{\circ}24'30''$  east, parallel to and 33 feet distant southwesterly from the southwesterly line of said right of way, 475.79 feet to an intersection with the westerly line of Southeast Milwaukie Avenue; thence south  $18^{\circ}31'$  east, along said westerly line of Southeast Milwaukie Avenue, 48.8 feet; thence southerly and southwesterly, on a curve to the right with a radius of 50 feet and a central angle of  $65^{\circ}39'$ , 57.28 feet to a point on the northwesterly line of Southeast 10th Avenue (formerly Clinton Street); thence south  $47^{\circ}08'$  west, following said northwesterly line of Southeast 10th Avenue, 339.23 feet; thence continuing southwesterly along said northwesterly line of Southeast 10th Avenue, on a curve to the right with a radius of 46.14 feet and a central angle of  $42^{\circ}52'$ , 34.52 feet to a point on the west line of said Southeast 10th Avenue; thence south, along said west line of Southeast 10th Avenue, 30 feet to the north line of said Southeast Taggart Street; thence west, along said north line of Southeast Taggart Street, 200 feet to the point of beginning; said tract containing 4.909 acres, more or less.

**FOURTH:** The following described real property situated in the City of Portland, County of Multnomah, State of Oregon, being the site of the Company's shop and warehouse building, namely:

Lots 5, 6, 7, and 8, Block 15, Couch's Addition to the City of Portland.

**FIFTH:** The following described real property situated in the City of Portland, County of Multnomah, State of Oregon, being the site of one of the Company's gas holders, and of its garage and motor vehicle shop, namely:

Block 23, Couch's Addition to the City of Portland.

**SIXTH:** The following described real property situated in the City of Portland, County of Multnomah, State of Oregon, occupied by the Company's distribution office building and for other purposes, namely:

Lots 4, 5 and 8, Block 24, Couch's Addition to the City of Portland; and that Part of Lot 3 in said Block 24 described as follows:

Beginning at the southeast corner of said Lot 3; thence north, along the east boundary line of said Lot 3, 34 feet  $1\frac{3}{8}$  inches; thence west, and parallel to the south boundary line of said Lot 3, 4 feet  $11\frac{1}{8}$  inches; thence southerly to a point on the south boundary line of said Lot 3, which last mentioned point is 4 feet  $11\frac{1}{2}$  inches west from the southeast corner of said Lot 3; thence east, along the south boundary line of said Lot 3, 4 feet  $11\frac{1}{2}$  inches to the place of beginning.

**SEVENTH:** The following described real property situated in the City of Portland, County of Multnomah, State of Oregon, namely:

The South one-half of Block 92, Couch's Addition to the City of Portland.

**EIGHTH:** The following described real property, situated in the City of Portland, County of Multnomah, State of Oregon, being the site of one of the Company's gas holders, namely:

The South one-half of the South one-half of Lot O of the O. M. Patton Tract.

NINTH: The following described real property situated in the County of Multnomah, State of Oregon, being a site acquired by the Company for a compressor station and other purposes, namely:

A tract of land in Section 36, Township 1 North, Range 1 West of Willamette Meridian, bounded and described as follows:

Beginning at a point, marked by an iron pipe, which is north  $88^{\circ}18'$  east 330 feet, measured along the east and west center line of said Section 36, and north  $1^{\circ}28'$  west 285 feet, measured along a line parallel to the west line of said section, from the west quarter corner of said section; thence north  $1^{\circ}28'$  west, along said line parallel to the west line of said section 625 feet to an iron pipe, thence north  $88^{\circ}32'$  east, along a line at right angles to said parallel line, 271.3 feet to a point on the west line of the Miller Road; thence southerly along said west line of said Miller Road 93.08 feet, along the arc of a curve to the right having a radius of 256.5 feet and a chord bearing south  $11^{\circ}51\frac{1}{4}'$  east to the end of said curve; thence south  $1^{\circ}28'$  east, continuing along said west line of said Miller Road, 530 feet to an iron pipe; thence south  $87^{\circ}45'$  west 288 feet, more or less, to the point of beginning; said tract containing 4.116 acres, more or less.

TENTH: The following described real property situated in the City of Salem, County of Marion, State of Oregon, being the site of one of the Company's gas holders, a shop building, and an auxiliary butane or liquefied gas installation, namely:

All of Lots 5, 6, 7, and 8, Block 62, of the Town (now City) of Salem, Oregon; but excepting therefrom a rectangular piece of land in Lots 5 and 6 bounded and described as follows:

Beginning at the southeasterly corner of said Lot 5; thence westerly, along the southerly boundary of said Lot 5, a distance of 49 feet to a point; thence northerly, and at right angles to the southerly line of said Lot 5 and parallel to the easterly line of said Lot 5, 98.5 feet to a point in said Lot 6; thence easterly, at right angles to said last described course and parallel to the

southerly line of said Lot 6, 49 feet to a point in the easterly line of said Lot 6; thence southerly 98.5 feet along the easterly line of said Lot 6 and of said Lot 5 to the place of beginning;

the Company's said real property containing approximately 1.15 acres.

**ELEVENTH:** The following described real property situated near the City of Corvallis, in the County of Benton, State of Oregon, being the site of an auxiliary butane or liquefied gas installation, namely:

That certain tract of land bounded and described as follows:

Beginning at a  $\frac{3}{4}$ " pipe in the center of Kings Road where said road intersects the north line of the city limits of the City of Corvallis; thence north  $0^{\circ}53'$  west, along the center line of said Kings Road, 162.12 feet; thence north  $89^{\circ}21\frac{1}{2}'$  east 268.7 feet; thence south  $0^{\circ}53'$  east 162.48 feet, more or less, to said city limits; thence north  $89^{\circ}25'$  west, along the north line of said city limits, 268.7 feet, more or less, to the place of beginning; but subject to the rights of the public in said Kings Road; said tract, exclusive of the area in said Kings Road, containing approximately .93 of an acre.

**TWELFTH:** The following described real property situated in the County of Benton, State of Oregon, being the site of an auxiliary butane or liquefied gas installation, namely:

That certain tract or parcel of land situated in the Anthony Roberts Donation Land Claim, in Section 4, Township 11 South, Range 4 West of Willamette Meridian, bounded and described as follows:

Beginning at the intersection of the northerly line of the Southern Pacific Railroad Company's right of way with the westerly line of the Granger-Independence Road, and extending thence northerly along the westerly side of said Granger-Independence Road 125 feet; thence southwesterly, and parallel to Southern Pacific Railroad Company's right of way, 200 feet; thence southerly, and parallel to said Granger-Independence

Road, 125 feet to the northerly line of said Southern Pacific Railroad Company's right of way; thence northeasterly, along the northerly line of said Southern Pacific Railroad Company's right of way, to the place of beginning; said tract containing approximately .52 of an acre.

**THIRTEENTH:** The following described real property situated in the City of Vancouver, County of Clark, State of Washington, being the site of an auxiliary butane or liquefied gas installation, namely:

Lot 7, Block 54, West Vancouver, and all that part of Lots 1, 2, and 8, in said Block 54, bounded and described as follows:

Beginning at the southeast corner of said Lot 8; thence west 100 feet to the southwest corner of Lot 7 in said Block 54; thence north 176 feet, more or less, to a point on the west line of Lot 2 in said Block 54, which point is distant 50 feet southwesterly from, measured at right angles to, the center line of the single main track of Spokane, Portland and Seattle Railway Company; thence southeasterly, parallel to and 50 feet southwesterly from said center line, to the east line of said Lot 8; thence south 64 feet, more or less, to the point of beginning; said tract containing 1200 square feet, more or less.

**FOURTEENTH:** The entire transmission and distribution system or systems used by the Company for delivering gas from the manufacturing plant referred to in Paragraph First of this Article XXI, and from its auxiliary butane or liquefied gas installations, to customers in the cities and towns and the unincorporated areas supplied by the Company with gas in the counties of Multnomah, Washington, Clackamas, Marion, Yamhill, Polk, Linn, and Benton, in the State of Oregon, and in the County of Clark, in the State of Washington, and any and all additions to and extensions of said gas transmission and distribution system or systems, wheresoever situated.

IN WITNESS WHEREOF, PORTLAND GAS & COKE COMPANY, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice-Presidents, and its corporate seal to be attested by its

Secretary or one of its Assistant Secretaries for and in its behalf, and BANKERS TRUST COMPANY, one of the parties hereto of the second part, in token of its acceptance of the trust hereby created, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice-Presidents and its corporate seal to be attested by one of its Assistant Secretaries, and R. G. PAGE, one of the parties hereto of the second part, for all like purposes has hereunto set his hand and affixed his seal, all in the City of New York, on the 15th day of July, 1946, as of July 1, 1946.

PORTLAND GAS & COKE COMPANY,

By

*President.*

Attest:

*Secretary.*

Executed, sealed and delivered by PORTLAND GAS & COKE COMPANY in the presence of:

.....  
.....

BANKERS TRUST COMPANY,

By

*Vice-President.*

Attest:

*Assistant Secretary.*

Executed, sealed and delivered by BANKERS TRUST COMPANY in the presence of:

.....  
.....

R. G. PAGE

[L. S.]

Executed, sealed and delivered by R. G. PAGE in the presence of:

.....  
.....



STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

July 15, A. D. 1946.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is a Vice-President of PORTLAND GAS & COKE COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 15th day of July, 1946, before me personally appeared C. H. GUEFFROY, to me known to be a Vice-President of PORTLAND GAS & COKE COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

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*Notary Public*

Residing at Jackson Heights, N. Y.

ALICE M. POWELL  
 Notary Public, Queens County  
 Queens Co. Clk's No. 2075, Reg. No. 209-P-7  
 Certificates Filed in  
 N. Y. Co. Clk's No. 115, Reg. No. 105-P-7  
 Westchester County Clerk  
 Commission Expires March 30, 1947

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

July 15, A. D. 1946.

Before me personally appeared E. E. BEACH, who, being duly sworn, did say that he is a Vice-President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 15th day of July, 1946, before me personally appeared E. E. BEACH, to me known to be a Vice-President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public

Residing at Brightwaters, N. Y.

EUGENIE A. RICHARDS  
 Notary Public, Suffolk County  
 Certificates filed in  
 N. Y. Co. Clk's No. 682, Reg. No. 715-B-8  
 Commission Expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

July 15, A. D. 1946.

Before me personally appeared the above-named R. G. PAGE and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me R. G. PAGE to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of July, 1946.

Notary Public

Residing at Brightwaters, N. Y.

EUGENIE A. RICHARDS  
Notary Public, Suffolk County  
Certificates filed in  
N. Y. Co. Clk's No. 662, Reg. No. 715-B-8  
Commission Expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

C. H. GUEFFROY, being duly sworn, deposes and says that he is a Vice-President of PORTLAND GAS & COKE COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

Subscribed and sworn to before me }  
this 15th day of July, 1946. }

Notary Public

Residing at Jackson Heights, N. Y.

ALICE M. POWELL  
Notary Public, Queens County  
Queens Co. Clk's No. 2075, Reg. No. 209-P-7  
Certificates Filed in  
N. Y. Co. Clk's No. 115, Reg. No. 105-P-7  
Westchester County Clerk  
Commission Expires March 30, 1947

## RECORDATION DATA

## OREGON

Dated Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
7/19/46	Multnomah	Clerk	911	223	Indexed
7/19/46	Washington	Clerk	194	1	Indexed
7/19/46	Clackamas	Clerk	293	68	Indexed
7/19/46	Marion	Recorder	278	1	Indexed
7/19/46	Yamhill	Clerk	107	391	Indexed
7/19/46	Polk	Clerk	80	328	Book 6
7/19/46	Linn	Recorder	121	1	Indexed
7/19/46	Benton	Clerk	79	524	Indexed

## WASHINGTON

7/19/46	Clark	Auditor	399	1	Indexed
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had original  
with recorded copy.

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SUCCESSION OF J. C. KENNEDY AS CO-TRUSTEE  
IN PLACE OF R. G. PAGE

UNDER

**Mortgage and Deed of Trust**

*Dated as of July 1, 1946*

AND

**First Supplemental Indenture**

*Dated as of June 1, 1949*

PORTLAND GAS & COKE COMPANY

TO

BANKERS TRUST COMPANY

AND

R. G. PAGE,

TRUSTEES

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---

**KNOW ALL MEN BY THESE PRESENTS**

That the undersigned R. G. Page hereby resigns as Co-Trustee under the Mortgage and Deed of Trust made by the undersigned Portland Gas & Coke Company, a corporation of the State of Oregon, to Bankers Trust Company and said R. G. Page, as Trustees, dated as of July 1, 1946, supplemented by the First Supplemental Indenture dated as of June 1, 1949, such resignation to take effect on June 14, 1951, unless prior thereto a successor co-trustee shall have been appointed as provided in said Mortgage and Deed of Trust, in which event such resignation shall take effect immediately on the appointment of such successor co-trustee.

NOW THEREFORE, pursuant to the provisions of Section 102 of said Mortgage and Deed of Trust, and by order of its Board of Directors, the undersigned Portland Gas & Coke Company hereby appoints J. C. Kennedy, as successor Co-Trustee under said Mortgage and Deed of Trust, as supplemented, subject to the conditions expressed in Article XVII thereof.

The undersigned J. C. Kennedy, a citizen of the United States of America, hereby accepts his said appointment by Portland Gas & Coke Company as successor Co-Trustee under said Mortgage and Deed of Trust, as supplemented.

The undersigned R. G. Page will cause notice of his resignation to be published as provided in Section 101 of said Mortgage and Deed of Trust in the form provided in Exhibit A hereto annexed.

The undersigned Portland Gas & Coke Company will proceed with the publication of the notice of appointment of said J. C. Kennedy, as provided in Section 102 of said Mortgage and Deed of Trust, in substantially the form provided in Exhibit B hereto annexed.

This instrument may be executed in several counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, Portland Gas & Coke Company has caused its corporate name to be hereunto affixed, and this instrument to be signed

and sealed by its President, and its corporate seal to be attested by its Secretary, and J. C. Kennedy and R. G. Page have hereunto set their hands and seals, all as of the 14th day of June, 1951.

PORTLAND GAS & COKE COMPANY,

[CORPORATE SEAL]

By C. H. GUEFFROY  
*President*

Attest:

H. N. BURNSIDE  
*Secretary*

Executed, sealed and delivered by Portland Gas & Coke Company in the presence of:

N. H. STEPHENS

J. J. SIBERT

J. C. KENNEDY [L.S.]  
-----  
J. C. KENNEDY

Executed, sealed and delivered by J. C. KENNEDY in the presence of:

WM. H. DEALE

A. P. SULLIVAN

R. G. PAGE [L.S.]  
-----  
R. G. PAGE

Executed, sealed and delivered by R. G. PAGE in the presence of:

WM. H. DEALE

A. P. SULLIVAN



STATE OF OREGON }  
County of Multnomah } ss.

June 14, A. D. 1951.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is the President of Portland Gas & Coke Company and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by order of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 14th day of June, 1951, before me personally appeared C. H. GUEFFROY, to me known to be the President of Portland Gas & Coke Company, the Corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARIAL SEAL]

C. I. LANDSVERK

Notary Public for Oregon  
Residing at Portland, Oregon  
My Commission Expires October 4, 1954

STATE OF NEW YORK }  
County of New York } ss.

June 25, A. D. 1951

Before me personally appeared the above-named R. G. PAGE and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me R. G. PAGE to me known to be one of the individuals described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 25th day of June, 1951.

[NOTARIAL SEAL]

ALOYSE A. STEPHENS  
Notary Public

ALOYSE A. STEPHENS  
NOTARY PUBLIC, State of New York  
No. 03-3835150  
Qualified in Bronx County  
Certificates filed with  
New York County Clerks & Registers  
Bronx County Clerks & Registers  
Term expires March 30, 1953

Residing at 1265 University Avenue  
Bronx 52, N. Y.

STATE OF NEW YORK }  
County of New York } ss.

June 25, A. D. 1951

Before me personally appeared the above named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 25th day of June, 1951.

[NOTARIAL SEAL]

ALOYSE A. STEPHENS  
Notary Public

ALOYSE A. STEPHENS  
NOTARY PUBLIC, State of New York  
No. 03-3835150  
Qualified in Bronx County  
Certificates filed with  
New York County Clerks & Registers  
Bronx County Clerks & Registers  
Term expires March 30, 1953

Residing at 1265 University Avenue  
Bronx 52, N. Y.

## (EXHIBIT A)

## NOTICE OF RESIGNATION OF CO-TRUSTEE

NOTICE IS HEREBY GIVEN that the undersigned R. G. PAGE has resigned as Co-Trustee under the Mortgage and Deed of Trust dated as of July 1, 1946, and the First Supplemental Indenture dated as of June 1, 1949, of Portland Gas & Coke Company to Bankers Trust Company and said R. G. Page, Trustees, such resignation to take effect on June 14, 1951, unless prior thereto a successor co-trustee shall have been appointed in the manner provided in said Mortgage and Deed of Trust, in which event such resignation shall take effect immediately upon the appointment of such successor co-trustee.

Dated, \_\_\_\_\_, 1951.

R. G. PAGE

## (EXHIBIT B)

## NOTICE OF APPOINTMENT OF SUCCESSOR TRUSTEE

NOTICE IS HEREBY GIVEN that the undersigned Portland Gas & Coke Company has received notice of and accepted the foregoing resignation of R. G. PAGE as Co-Trustee under its Mortgage and Deed of Trust dated as of July 1, 1946, as supplemented, and that as provided in said Mortgage and Deed of Trust the undersigned has appointed J. C. KENNEDY as successor Co-Trustee thereunder, effective June 14, 1951.

Dated, \_\_\_\_\_, 1951.

PORTLAND GAS & COKE COMPANY,  
By C. H. GUEFFROY,  
*President.*

## SUMMARY OF RECORDING DATA

Succession of J. C. Kennedy as Co-Trustee  
 in Place of R. G. Page  
 Dated as of June 14, 1951

## Oregon

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
6/29/51	Multnomah	Clerk	1372	317	Indexed
7/2/51	Washington	Clerk	268	264	Indexed
6/29/51	Clackamas	Clerk	372	136	Indexed
6/29/51	Marion	Recorder	360	769	Indexed
7/2/51	Yamhill	Clerk	129	311	Indexed
6/29/51	Polk	Clerk	95	671	Indexed
6/29/51	Linn	Recorder	154	785	Indexed
6/29/51	Benton	Clerk	94	763	Indexed
6/29/51	Clark	Washington Auditor	529	1	No. G80627

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**First Supplemental Indenture**  
Dated as of June 1, 1949

**Oregon**

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
6/23/49	Multnomah	Clerk	1171	564	Indexed
6/25/49	Washington	Clerk	228	344	Indexed
6/25/49	Clackamas	Clerk	340	291	Indexed
6/25/49	Yamhill	Clerk	120	416	Indexed
6/25/49	Marion	Recorder	329	509	Indexed
6/27/49	Polk	Clerk	90	1	Indexed
6/25/49	Linn	Recorder	140	657	Indexed
6/25/49	Benton	Clerk	87	448	Indexed
6/27/49	Clark	Washington Auditor	469	1	G26749

**Mortgage and Deed of Trust**  
Dated as of July 1, 1946

**Oregon**

7/19/46	Multnomah	Clerk	911	223	Indexed
7/19/46	Washington	Clerk	194	1	Indexed
7/19/46	Clackamas	Clerk	293	68	Indexed
7/19/46	Marion	Recorder	278	1	Indexed
7/19/46	Yamhill	Clerk	107	391	Indexed
7/19/46	Polk	Clerk	80	328	Indexed
7/19/46	Linn	Recorder	121	1	Indexed
7/19/46	Benton	Clerk	79	524	Indexed
7/19/46	Clark	Washington Auditor	399	1	No. F63495

I, Bruce Worthington, Auditor of Clark County, State of Washington, do hereby certify the foregoing to be a true and correct copy of the Succession of J. C. Kennedy as Co-Trustee in Place of R. G. Page under Mortgage and Deed of Trust dated as of July 1, 1946 of record in this office, File No. 630626, Vol. 529, Page No. 1, of Mortgages.

WITNESS my hand and official seal this 2nd day of July, 1965

BRUCE WORTHINGTON, Auditor, Clark County  
By *Janet M. Field* Deputy.

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Reprinted 1952  
by 4<sup>0</sup>/<sub>6</sub> Simon 1103.82

PORTLAND GAS & COKE COMPANY

TO

BANKERS TRUST COMPANY

AND

J. C. KENNEDY

(SUCCESSOR TO R. G. PAGE),

As Trustees under Portland Gas & Coke  
Company's Mortgage and Deed of  
Trust, Dated as of July 1, 1946

---

**Second Supplemental Indenture**

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*Dated as of March 1, 1954*

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## SECOND SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of March, 1954, made and entered into by and between PORTLAND GAS & COKE COMPANY, a corporation of the State of Oregon, whose post office address is Public Service Building, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 16 Wall Street, New York, New York (hereinafter sometimes called the Corporate Trustee) and J. C. KENNEDY (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Second Supplemental Indenture) being supplemental thereto;

WHEREAS the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Second Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture); and



WHEREAS said First Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the States of Oregon and Washington listed below, as follows:

## OREGON

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
6/23/49	Multnomah	Clerk	1171	564	Indexed
6/25/49	Washington	Clerk	228	344	Indexed
6/25/49	Clackamas	Clerk	340	291	Indexed
6/25/49	Yamhill	Clerk	120	416	Indexed
6/25/49	Marion	Recorder	329	589	Indexed
6/27/49	Polk	Clerk	90	1	Indexed
6/25/49	Linn	Recorder	140	657	Indexed
6/25/49	Benton	Clerk	87	448	Indexed

## WASHINGTON

6/27/49	Clark	Auditor	469	1	G26749;
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and

WHEREAS, an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession to said R. G. Page, resigned, under said Mortgage and by J. C. Kennedy accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS, in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1976 (hereinafter called the bonds of the First Series); and bonds of a series

entitled and designated First Mortgage Bonds, 3 $\frac{7}{8}$ % Series due 1974 (hereinafter called the bonds of the Second Series); and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

WHEREAS the execution and delivery by the Company of this Second Supplemental Indenture, and the terms of the bonds of the Third Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Portland Gas & Coke Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned

in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title

and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in any wise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Second Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the

purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Second Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Second Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

#### ARTICLE I.

##### Third Series of Bonds.

SECTION 1. There shall be a series of bonds designated "4% Series due 1974" (herein sometimes referred to as the "Third Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Third Series shall be limited to One Million Dollars (\$1,000,000) in aggregate principal amount at any one time Outstanding except as provided in

Section 16 of the Mortgage and shall mature on June 1, 1974, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registerable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, as to either coupon bonds or fully registered bonds, in the denomination of One Hundred Dollars or in any multiple or multiples thereof (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of four per centum (4%) per annum, payable semi-annually on June 1 and December 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Third Series shall be dated as of March 1, 1954, and fully registered bonds of the Third Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Third Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:



## GENERAL REDEMPTION PRICES

If redeemed on or before May 31, 1955—104.00%.

If redeemed during the 12 months period ending May 31,

1956.....	103.80%	1963.....	102.40%	1970.....	101.00%
1957.....	103.60%	1964.....	102.20%	1971.....	100.75%
1958.....	103.40%	1965.....	102.00%	1972.....	100.50%
1959.....	103.20%	1966.....	101.80%	1973.....	100.25%
1960.....	103.00%	1967.....	101.60%	1974.....	100.00%
1961.....	102.80%	1968.....	101.40%		
1962.....	102.60%	1969.....	101.20%		

in each case, together with accrued interest to the date fixed for redemption, provided, however, that unless consented to by the holders of a majority in principal amount of bonds of the Third Series Outstanding at the time of such consent, no bonds of the Third Series may be redeemed pursuant to this subdivision (I) prior to June 1, 1960 as part of any refunding operation involving, directly or indirectly, the incurring of indebtedness by the Company having an interest rate or cost (calculated in accordance with acceptable financial practice) lower than four per centum (4%) per annum, except that, if the Company, prior to June 1, 1960, is consolidated with or merged with or into another corporation, this proviso shall not apply in the case of any redemption of bonds of the Third Series which is necessary to effect such consolidation or merger, and in any such case bonds of the Third Series may, at the option of the Company or its successor, be redeemed prior to June 1, 1960, at the then applicable general redemption price.

(II) Bonds of the Third Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of applica-

tion of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the principal amount of the bonds to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Third Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Third Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered

owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Third Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Third Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

## ARTICLE II.

### Sinking Fund for Bonds of the Third Series.

SECTION 2. The Company covenants that, unless all bonds of the Third Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Third Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Third Series, on October 1 of each year, beginning with the year 1956, to and including the year 1973, and on March 1 of the year 1974, equivalent to two per centum (2%) of (A) the greatest

principal amount of all bonds of the Third Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Third Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Third Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Third Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate

Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section or of Section 39 of the Mortgage (subject to the provisions of Sections 39, 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Except as hereinafter specifically prohibited by this paragraph, and notwithstanding any other provisions of this Second Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on October 1 of the then current year or any subsequent year or years or on March 1, 1974, by depositing cash and/or a principal amount of bonds of the Third Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on October 1 of the then current year or of a subsequent year or on March 1, 1974, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Third Series is in bearer form not registered as to principal, to the purchase of bonds of the Third Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Third Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Third Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Third Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Third Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Third Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Third Series; and provided further that, unless consented to by the holders of a majority in principal amount of bonds of the Third Series Outstanding at the time of such consent, the Company may not deposit cash prior to June 1, 1960, in anticipation of the requirements of this Section other than a requirement becoming due on October 1 of any current year, if the cash so deposited represents a part of a refunding operation involving, directly

or indirectly, the incurring of indebtedness by the Company having an interest rate or cost (calculated in accordance with acceptable financial practice) lower than four per centum (4%) per annum.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Third Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section or of Section 2 of the First Supplemental Indenture or of Section 40 of the Mortgage shall be deemed to be Funded Cash;

(II) any bonds of the First Series delivered to the Corporate Trustee pursuant to the provisions of Section 40 of the Mortgage and any bonds of the Second Series delivered to the Corporate Trustee pursuant to the provisions of Section 2 of the First Supplemental Indenture and any bonds of the Third Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash; and

(III) with respect to all credits taken under Section 40 of the Mortgage on the basis of waivers of the right to the authentication and delivery of bonds or otherwise, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof; and

(IV) with respect to all credits taken under Section 2 of the First Supplemental Indenture on the basis of the purchase or redemption of bonds of the Second Series or under this Section on the basis of the purchase or redemption of bonds of the Third Series, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions

of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Third Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section;

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

### ARTICLE III.

#### Amendments of Certain Provisions of Mortgage.

SECTION 3. The Company covenants and agrees that the provisions of Section 39 of the Mortgage, which are to remain in effect so long as any bonds of the First Series shall remain Outstanding, shall also remain in full force and effect so long as any bonds of the Third Series shall remain Outstanding.

So long as any bonds of the Third Series shall remain Outstanding, no credit shall be given pursuant to the provisions of clause (5) of subsection (I) of Section 39 of the Mortgage for expenditures for gross additions to automotive equipment of the Company except for net cash expenditures for such automotive equipment (after reflecting salvage).

Clauses (d) and (e) of subsection (II) of Section 4 of the Mortgage, as amended, clause (6) and clause (e) of Section 5 of the Mortgage, as amended, and Section 29 of the Mortgage, as amended, are



hereby further amended by inserting therein the words "and all bonds of the Third Series" after the words "Second Series", wherever the latter words occur therein.

#### **ARTICLE IV.**

##### **Limitation on Acquisition of Property Subject to Prior Lien and Limitation on Issuance of Prior Lien Bonds.**

**SECTION 4.** Unless this requirement is waived by the holders of a majority of the bonds of the Third Series Outstanding at the time of such waiver, the provisions of Article IV and Article V of the First Supplemental Indenture shall remain in full force and effect so long as any bonds of the Third Series are Outstanding.

#### **ARTICLE V.**

##### **Miscellaneous Provisions.**

**SECTION 5.** Subject to the amendments provided for in this Second Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Second Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

**SECTION 6.** Section 55 of the Mortgage, as amended, is hereby further amended by inserting the words "and subject to the provisions of Section 2 of the Second Supplemental Indenture dated as of March 1, 1954", after the words "June 1, 1949".

**SECTION 7.** The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Second Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Second Supplemental Indenture.

SECTION 8. Whenever in this Second Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Second Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 9. Nothing in this Second Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Second Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this Second Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 10. This Second Supplemental Indenture has been executed in several identical counterparts, each of which, shall be an

original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Portland Gas & Coke Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and J. C. Kennedy, one of the parties hereto of the second part, has hereunto set his hand and affixed his seal, all in The City of New York, on the 12th day of March, 1954, as of March 1, 1954.

[CORPORATE SEAL]

PORTLAND GAS & COKE COMPANY,

By C. H. GUEFFROY  
President.

Attest:

L. M. GANNON  
Assistant Secretary

Executed, sealed and delivered by PORTLAND  
GAS & COKE COMPANY in the presence of:

JOHN M. STUART

WILLIAM S. LYNCH

BANKERS TRUST COMPANY, as Trustee,

[CORPORATE SEAL]

By E. E. BEACH  
*Vice President.*

Attest:

WM. H. DEALR  
*Assistant Secretary*

Executed, sealed and delivered by BANKERS  
TRUST COMPANY in the presence of:

C. D. BLAKELY

F. SCHNEIDER

J. C. KENNEDY (L. S.)  
J. C. KENNEDY, as Trustee.

Executed, sealed and delivered by J. C.  
KENNEDY in the presence of:

C. D. BLAKELY

F. SCHNEIDER

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

March 12, A. D. 1954.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is President of PORTLAND GAS & COKE COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 12th day of March, 1954, before me personally appeared C. H. GUEFFROY, to me known to be President of PORTLAND GAS & COKE COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARIAL SEAL]

ALICE M. POWELL  
*Notary Public*

ALICE M. POWELL  
 Notary Public, State of New York  
 Qualified in Queens County  
 No. 41-3145500  
 Cert. filed in Queens, New York,  
 Kings & Westchester  
 Register's Office—Queens, N. Y. & Kings  
 Commission Expires March 30, 1955

Residing at Jackson Heights, N. Y.

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

March 12, A. D. 1954.

Before me personally appeared E. E. BEACH, who, being duly sworn, did say that he is a Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 12th day of March, 1954, before me personally appeared E. E. BEACH, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARIAL SEAL]

ALOYSE A. STEPHENS  
*Notary Public*

ALOYSE A. STEPHENS  
 NOTARY PUBLIC, State of New York  
 No. 03-3835150  
 Qualified in Bronx County  
 Certificates Filed with  
 New York County Clerks and Registers  
 Bronx County Clerks and Registers  
 Term Expires March 30, 1955

Residing at Bronx, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss:

March 12, A. D. 1954.

Before me personally appeared the above-named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 12th day of March, 1954.

[NOTARIAL SEAL]

ALOYSE A. STEPHENS  
*Notary Public*

ALOYSE A. STEPHENS  
NOTARY PUBLIC, State of New York  
No. 08-3835150  
Qualified in Bronx County  
Certificates Filed with  
New York County Clerks and Registers  
Bronx County Clerks and Registers  
Term Expires March 30, 1955  
Residing at Bronx, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss:

C. H. GUEFFROY, being duly sworn, deposes and says that he is President of PORTLAND GAS & COKE COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

C. H. GUEFFROY

Subscribed and sworn to before me }  
this 12th day of March, 1954. }

ALICE M. POWELL  
*Notary Public*

[NOTARIAL SEAL]

ALICE M. POWELL  
Notary Public, State of New York  
Qualified in Queens County  
No. 41-3145500  
Cert. filed in Queens, New York,  
Kings & Westchester  
Register's Office—Queens, N. Y. & Kings  
Commission Expires March 30, 1955

Residing at Jackson Heights, N. Y.



## SUMMARY OF RECORDING DATA

## Oregon

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
3/17/54	Benton.....	Clerk.....	104	361	Indexed
3/17/54	Clackamas.....	Clerk.....	413	365	Indexed
3/17/54	Linn.....	Recorder.....	174	654	Indexed
3/17/54	Marion.....	Recorder.....	400	520	Indexed
8/15/54	Multnomah.....	Clerk.....	1606	331	Indexed
3/17/54	Polk.....	Clerk.....	102	492	Indexed
3/17/54	Washington.....	Clerk.....	309	195	Indexed
3/17/54	Yamhill.....	Clerk.....	139	492	Indexed
Washington					
3/17/54	Clark.....	Auditor.....	595	51	G142988 and G142984

4<sup>3</sup>/<sub>8</sub> June 1976

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PORTLAND GAS & COKE COMPANY

TO

BANKERS TRUST COMPANY

AND

J. C. KENNEDY

(SUCCESSOR TO R. G. PAGE),

As Trustees under Portland Gas & Coke  
Company's Mortgage and Deed of  
Trust, Dated as of July 1, 1946

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**Third Supplemental Indenture**

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*Dated as of April 1, 1956*

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### THIRD SUPPLEMENTAL INDENTURE

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INDENTURE, dated as of the 1st day of April, 1956, made and entered into by and between PORTLAND GAS & COKE COMPANY, a corporation of the State of Oregon, whose post office address is Public Service Building, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 16 Wall Street, New York 15, New York (hereinafter sometimes called the Corporate Trustee) and J. C. KENNEDY (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Third Supplemental Indenture) being supplemental thereto;

WHEREAS the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Third Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture); and

WHEREAS said First Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Third Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Second Supplemental Indenture, dated as of March 1, 1954 (hereinafter called its Second Supplemental Indenture); and

WHEREAS said Second Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the States of Oregon and Washington listed below, as follows:

OREGON

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records
			Book	Page	
3/17/54	Benton .....	Clerk .....	104	361	Indexed
3/17/54	Clackamas .....	Clerk .....	413	365	Indexed
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3/17/54	Polk .....	Clerk .....	102	492	Indexed
3/17/54	Washington .....	Clerk .....	309	195	Indexed
3/17/54	Yamhill .....	Clerk .....	139	492	Indexed

WASHINGTON

3/17/54	Clark .....	Auditor .....	595	51	G142983 and G142984;
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and

WHEREAS, an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession

to said R. G. Page, resigned, under said Mortgage and by J. C. Kennedy accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS, in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1976 (hereinafter called the bonds of the First Series), of which Ten Million Dollars (\$10,000,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds, 3⅞% Series due 1974 (hereinafter called the bonds of the Second Series), of which Three Million One Hundred Fifty Thousand Dollars (\$3,150,000) in aggregate principal amount are now Outstanding; and bonds of a series entitled and designated First Mortgage Bonds, 4% Series due 1974 (hereinafter called the bonds of the Third Series), none of which bonds of the Third Series will be Outstanding at the time of the initial issue of bonds of the Fourth Series hereinafter referred to; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented and amended; and

WHEREAS the execution and delivery by the Company of this Third Supplemental Indenture, and the terms of the bonds of the Fourth Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Portland Gas & Coke Company, in consideration of the premises and of One Dollar

to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works,

water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in any wise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation,



merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Third Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business;

all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Third Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Third Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically

and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

#### ARTICLE I

##### Fourth Series of Bonds.

SECTION 1. There shall be a series of bonds designated "4 $\frac{3}{8}$ % Series due 1976" (herein sometimes referred to as the "Fourth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Fourth Series shall mature on April 1, 1976, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registerable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of four and three-eighths per centum (4 $\frac{3}{8}$ %) per annum, payable semi-annually on October 1 and April 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Fourth Series shall be dated as of April 1, 1956, and fully registered bonds of the Fourth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Fourth Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mort-

gage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

GENERAL REDEMPTION PRICES

If redeemed during the 12 months period ending March 31,

1957.....	105.67%	1964.....	103.59%	1971.....	101.50%
1958.....	105.38%	1965.....	103.29%	1972.....	101.20%
1959.....	105.08%	1966.....	102.99%	1973.....	100.90%
1960.....	104.78%	1967.....	102.69%	1974.....	100.60%
1961.....	104.48%	1968.....	102.39%	1975.....	100.30%
1962.....	104.18%	1969.....	102.09%	1976.....	100.00%
1963.....	103.88%	1970.....	101.80%		

in each case, together with accrued interest to the date fixed for redemption.

(II) Bonds of the Fourth Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit

of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the following special redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

**SPECIAL REDEMPTION PRICES**

If redeemed during the 12 months period ending March 31,

1957.....	101.67%	1964.....	101.24%	1971.....	100.66%
1958.....	101.62%	1965.....	101.17%	1972.....	100.56%
1959.....	101.56%	1966.....	101.09%	1973.....	100.46%
1960.....	101.50%	1967.....	101.01%	1974.....	100.35%
1961.....	101.44%	1968.....	100.93%	1975.....	100.24%
1962.....	101.38%	1969.....	100.84%	1976.....	100.00%
1963.....	101.31%	1970.....	100.75%		

in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Fourth Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of

Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Fourth Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Fourth Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Fourth Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

**ARTICLE II****Sinking Fund for Bonds of the Fourth Series.**

SECTION 2. The Company covenants that, unless all bonds of the Fourth Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Fourth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Fourth Series, on October 1 of each year, beginning with the year 1960 to and including the year 1975, equivalent to three per centum (3%) of (A) the greatest principal amount of all bonds of the Fourth Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Fourth Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Fourth Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Fourth Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate

Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Fourth Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section (subject to the provisions of Sections 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Notwithstanding any other provisions of this Third Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on October 1 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of bonds of the Fourth Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on October 1 of the then current year or of a subsequent year, shall be applied by the Corporate Trustee from time to time, as the Company may request,



(1) so long as any bond of the Fourth Series is in bearer form not registered as to principal, to the purchase of bonds of the Fourth Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Fourth Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Fourth Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Fourth Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Fourth Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Fourth Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant

to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Fourth Series.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Fourth Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section shall be deemed to be Funded Cash;

(II) any bonds of the Fourth Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash; and

(III) with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Fourth Series, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Fourth Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section;

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

### ARTICLE III.

#### Amendments of Certain Provisions of Mortgage.

SECTION 3. The Company reserves the right, without any consent or other action by holders of bonds of the Fourth Series or of any subsequent series, to make such further amendments to the Mortgage, as supplemented, as shall be necessary in order to add the following proviso at the end of clause (4) of Section 5 of the Mortgage:

"provided, however, that when no bonds of the First, Second or Third Series remain Outstanding, Property Additions of a Cost not in excess of \$1,100,000 so substituted at any time under subdivision (B) of subsection (II) of Section 4 hereof for Funded Property used primarily and principally in the handling and processing of carbon owned at April 1, 1956 and retired subsequent to April 1, 1956 shall cease to be or to be deemed to have been Funded Property;"

The Company reserves the right, without any consent or other action by holders of bonds of the Fourth Series or of any subsequent series, to make such further amendments to the Mortgage, as supplemented, as shall be necessary in order to amend subdivision (A) of subsection (II) of Section 4 of the Mortgage by deleting the amendments made by Section 7 of the First Supplemental Indenture.

The holders and owners of bonds of the Fourth Series and of any subsequent series outstanding under the Mortgage, as supplemented, by

acceptance of such bonds, agree and consent to all of the provisions of this Third Supplemental Indenture including, but not limited to, the provisions of this Section and of Section 4 of this Third Supplemental Indenture.

SECTION 4. The Company reserves the right, without any consent or other action by holders of bonds of the Fourth Series or of any subsequent series, to make such further amendments to the Mortgage, as supplemented, as shall be necessary in order to amend Section 7 of the Mortgage by deleting from clause (2) of subsection (A) thereof the following provision:

“provided, however, that, in lieu of including in such operating expenses the amounts actually appropriated out of income for depreciation and retirement of the Mortgaged and Pledged Property used primarily and principally in the gas, electric, steam and/or hot water utility business or gas by-product business and of the automotive equipment of the Company used in the operation of such property, there shall be included in such operating expenses an amount for each full calendar month included in such period of twelve (12) consecutive calendar months equal to (i) one-twelfth (1/12th) of Four Hundred Thousand Dollars (\$400,000), plus (ii) one-twelfth (1/12th) of two per centum (2%) of the gross charges to plant account for additions to the depreciable property included in the Mortgaged and Pledged Property, used primarily and principally in the gas, electric, steam, and/or hot water utility business or gas by-product business, made subsequent to March 31, 1946, and prior to the beginning of the calendar year within which such calendar month is included, less (iii) one-twelfth (1/12th) of two per centum (2%) of the gross credits to plant account for retirement of the depreciable property included in the Mortgaged and Pledged Property, used primarily and principally in the gas, electric, steam and/or hot water utility business or gas by-product business, made subsequent to March 31, 1946, and prior to the beginning of the calendar year within which such calendar month is included, in each case, excluding from

plant account any amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts or in any accounts for similar purposes;”.

#### ARTICLE IV.

##### Miscellaneous Provisions.

SECTION 5. Subject to the amendments provided for in this Third Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Third Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 6. Section 14 of the Mortgage is hereby amended to read as follows:

“SECTION 14. All bonds authenticated and delivered hereunder shall, from time to time, be executed on behalf of the Company by its President or one of its Vice-Presidents whose signature, except on bonds of the 3½% Series due 1976, 3½% Series due 1974 and 4% Series due 1974, may be facsimile and its corporate seal shall be thereon impressed or imprinted and attested by its Secretary or one of its Assistant Secretaries. The coupons to be attached to coupon bonds shall bear the facsimile signature of the present or any future Treasurer of the Company. In case any of the officers who shall have signed any bonds or attested the seal thereon, or whose facsimile signature appears on any bond or coupon, shall cease to be such officers of the Company before the bonds so signed and/or sealed shall have been actually authenticated and delivered by the Corporate Trustee or issued by the Company, such bonds nevertheless may be authenticated, delivered and/or issued with the same force and effect as though the person or persons who signed such bonds and/or attested the seal thereon and/or whose facsimile signature appears on any bond or coupon had not ceased to be such officer or officers of the Company. Before authenticating any coupon bonds, the Corporate Trustee shall cut off and cancel all

matured coupons thereto attached (except as otherwise provided or permitted in Sections 12 and 16 hereof)."

SECTION 7. Section 55 of the Mortgage, as amended, is hereby further amended by inserting the words "and subject to the provisions of Section 2 of the Third Supplemental Indenture dated as of April 1, 1956", after the words "March 1, 1954".

SECTION 8. Section 99 of the Mortgage is hereby amended to insert in the last paragraph thereof the words "offered or" before the word "sold".

SECTION 9. The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Third Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Third Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Third Supplemental Indenture.

SECTION 10. Whenever in this Third Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Third Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind

and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 11. Nothing in this Third Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Third Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this Third Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 12. This Third Supplemental Indenture has been executed in several identical counterparts, each of which, shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Portland Gas & Coke Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and J. C. Kennedy, one of the parties hereto of the second part, has hereunto

set his hand and affixed his seal, all in The City of New York, on the 20th day of April, 1956, as of April 1, 1956.

PORTLAND GAS & COKE COMPANY,

[CORPORATE SEAL]

By C. H. GUEFFROY

*President.*

Attest:

L. M. GANNON  
*Assistant Secretary.*

Executed, sealed and delivered by PORTLAND  
GAS & COKE COMPANY in the presence of:

WILLIAM W. STAPLIN

JOHN M. STUART

BANKERS TRUST COMPANY, as Trustee,

[CORPORATE SEAL]

By E. G. FARRELL

*Vice President.*

Attest:

L. E. VAN ETTEN  
*Assistant Secretary.*

Executed, sealed and delivered by BANKERS  
TRUST COMPANY in the presence of:

C. D. BLAKELY

F. SCHNEIDER

J. C. KENNEDY (L. S.)  
J. C. KENNEDY, as Trustee.

Executed, sealed and delivered by J. C.  
KENNEDY in the presence of:

C. D. BLAKELY

F. SCHNEIDER



STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

April 20, A. D. 1956.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is President of PORTLAND GAS & COKE COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 20th day of April, 1956, before me personally appeared C. H. GUEFFROY, to me known to be President of PORTLAND GAS & COKE COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

ALICE M. POWELL (WADE)  
*Notary Public*

[NOTARIAL SEAL]

ALICE M. POWELL (WADE)  
 Notary Public, State of New York  
 No. 41-3145500  
 Qualified in Queens County  
 Term Expires March 30, 1957

Residing at New York, N. Y.

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

April 20, A. D. 1956.

Before me personally appeared E. G. FARRELL, who, being duly sworn, did say that he is a Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 20th day of April, 1956, before me personally appeared E. G. FARRELL, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

ARTHUR P. SULLIVAN  
*Notary Public*

[NOTARIAL SEAL]

ARTHUR P. SULLIVAN  
 NOTARY PUBLIC, State of New York  
 No. 43-3893015  
 Qualified in Richmond County  
 Certificate filed in New York County  
 Term Expires March 30, 1957

Residing at Staten Island, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

April 20, A. D. 1956.

Before me personally appeared the above-named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 20th day of April, 1956.

ARTHUR P. SULLIVAN  
*Notary Public*

[NOTARIAL SEAL]

ARTHUR P. SULLIVAN  
NOTARY PUBLIC, State of New York  
No. 43-8898015  
Qualified in Richmond County  
Certificate filed in New York County  
Term Expires March 30, 1957

Residing at Staten Island, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

C. H. GUEFFROY, being duly sworn, deposes and says that he is President of PORTLAND GAS & COKE COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

C. H. GUEFFROY

Subscribed and sworn to before me }  
this 20th day of April, 1956. }

ALICE M. POWELL (WADE)  
*Notary Public*

ALICE M. POWELL (WADE)  
Notary Public, State of New York  
No. 41-3145600  
Qualified in Queens County  
Term Expires March 30, 1957

[NOTARIAL SEAL]

Residing at New York, N. Y.

## SUMMARY OF RECORDING DATA

## Oregon

Date Filed for Record	County	Real Estate Mortgage Records		Instrument Number	Chattel Mortgage Records
		Book	Page		
4/27/56	Benton.....	113	602	9823	Indexed
4/27/56	Clackamas.....	452	271	6431	Indexed
4/27/56	Linn.....	192	820	130005	Indexed
4/27/56	Marion.....	436	618	520478	Indexed
4/27/56	Multnomah.....	1808	562	17234	Indexed
4/27/56	Polk.....	108	648	101914	Indexed
4/27/56	Washington.....	345	688	927	Indexed
4/27/56	Yamhill.....	147	544	47209	Indexed

## Washington

4/27/56	Clark.....	M34	390		G193697
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**NORTHWEST NATURAL GAS COMPANY**

**TO**

**BANKERS TRUST COMPANY**

**AND**

**J. C. KENNEDY**

**(SUCCESSOR TO R. G. PAGE),**

**As Trustees under the Mortgage and Deed  
of Trust, Dated as of July 1, 1946, of  
Portland Gas & Coke Company (now  
Northwest Natural Gas Company)**

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**Fourth Supplemental Indenture**

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***Dated as of February 1, 1959***

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#### FOURTH SUPPLEMENTAL INDENTURE

**INDENTURE**, dated as of the 1st day of February, 1959, made and entered into by and between **NORTHWEST NATURAL GAS COMPANY** (formerly Portland Gas & Coke Company), a corporation of the State of Oregon, whose post office address is Public Service Building, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and **BANKERS TRUST COMPANY**, a corporation of the State of New York, whose post office address is 16 Wall Street, New York 15, New York (hereinafter sometimes called the Corporate Trustee) and **J. C. KENNEDY** (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company (now Northwest Natural Gas Company) to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Fourth Supplemental Indenture) being supplemental thereto;

**WHEREAS** the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Fourth Supplemental Indenture is to be recorded; and

**WHEREAS** by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

**WHEREAS** the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture) and its Second Supplemental Indenture, dated as of March 1, 1954 (hereinafter called its Second Supplemental Indenture); and

WHEREAS said First and Second Supplemental Indentures were filed for record, and were recorded and indexed, as a mortgage of both real and personal property, in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Fourth Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Third Supplemental Indenture, dated as of April 1, 1956 (hereinafter called its Third Supplemental Indenture); and

WHEREAS said Third Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the States of Oregon and Washington listed below, as follows:

Date Filed for Record	County	Real Estate Mortgage Records		Instrument Number	Chattel Mortgage Records
		Book or Reel	Page		
4/27/56	Benton .....	113	602	9823	Indexed
4/27/56	Clackamas ....	452	271	6431	Indexed
8/ 7/58	Lane .....	Reel 115—	'58M	45196	Indexed
4/27/56	Linn .....	192	820	130005	Indexed
4/27/56	Marion .....	436	618	520478	Indexed
4/27/56	Multnomah ....	1808	562	17234	Indexed
4/27/56	Polk .....	108	648	101914	Indexed
8/ 7/58	Wasco .....	90	465	2477	Indexed
4/27/56	Washington ...	345	688	927	Indexed
4/27/56	Yamhill .....	147	544	47209	Indexed

WASHINGTON

4/27/56	Clark .....	M34	390	G193697;
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and

WHEREAS, an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession to said R. G. Page, resigned, under said Mortgage and by J. C. Kennedy



accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS, said Mortgage, said First and Second Supplemental Indentures and said instrument appointing J. C. Kennedy as Co-Trustee in succession to said R. G. Page were filed for record, and were recorded and indexed, as a mortgage of both real and personal property in the official records of Lane County, State of Oregon, and of Wasco County, State of Oregon, on August 7, 1958, in addition to the recording and indexing recited in prior supplemental indentures, as follows:

Instrument	County	—Real Property Mortgage Records—			Chattel Mortgage Records
		Book or Reel	Page	Instrument Numbered	
Mortgage .....	Lane	Reel 115—'58M		45192	Indexed
	Wasco	Book 90	187	2473	Indexed
First Supplemental Indenture ...	Lane	Reel 115—'58M		45193	Indexed
	Wasco	Book 90	400	2474	Indexed
Instrument .....	Lane	Reel 115—'58M		45194	Indexed
	Wasco	Book 90	433	2475	Indexed
Second Supplemental Indenture ...	Lane	Reel 115—'58M		45195	Indexed
	Wasco	Book 90	439	2476	Indexed

WHEREAS, in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1976 (hereinafter called the bonds of the First Series), of which Ten Million Dollars (\$10,000,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds, 3⅞% Series due 1974 (hereinafter called the bonds of the Second Series), of which Two Million Nine Hundred Forty Thousand Dollars (\$2,940,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds, 4% Series due 1974 (hereinafter called the bonds of the Third Series), none of which bonds of the Third Series are now Outstanding; and bonds of a series entitled and designated First Mortgage Bonds, 4⅞% Series due 1976 (hereinafter called the bonds of the Fourth Series),

of which Three Million Three Hundred Fifty Thousand Dollars (\$3,350,000) in aggregate principal amount are now Outstanding; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants

and provisions contained in the Mortgage, as heretofore supplemented and amended; and

WHEREAS the execution and delivery by the Company of this Fourth Supplemental Indenture, and the terms of the bonds of the Fifth Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Northwest Natural Gas Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriat-

ing, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation,

merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Fourth Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Fourth Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supple-

mented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Fourth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

**ARTICLE I.****Fifth Series of Bonds.**

SECTION 1. There shall be a series of bonds designated "5 $\frac{1}{8}$ % Series due 1984" (herein sometimes referred to as the "Fifth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Fifth Series shall mature on February 1, 1984, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of five and one-eighth per centum (5 $\frac{1}{8}$ %) per annum, payable semi-annually on August 1 and February 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Fifth Series shall be dated as of February 1, 1959, and fully registered bonds of the Fifth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Fifth Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemp-

tion, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

GENERAL REDEMPTION PRICES

If redeemed during the 12 months period ending January 31,

1960.....	105.13%	1973.....	102.35%
1961.....	104.92%	1974.....	102.14%
1962.....	104.70%	1975.....	101.93%
1963.....	104.49%	1976.....	101.71%
1964.....	104.28%	1977.....	101.50%
1965.....	104.06%	1978.....	101.29%
1966.....	103.85%	1979.....	101.07%
1967.....	103.64%	1980.....	100.86%
1968.....	103.42%	1981.....	100.65%
1969.....	103.21%	1982.....	100.43%
1970.....	102.99%	1983.....	100.22%
1971.....	102.78%	1984.....	100.00%
1972.....	102.57%		

in each case, together with accrued interest to the date fixed for redemption, provided, however, that no bonds of the Fifth Series may be redeemed pursuant to this subdivision (I) prior to February 1, 1964 as part of any refunding operation involving, directly or indirectly, the incurring of indebtedness by the Company having an interest rate or cost (calculated in accordance with acceptable financial practice) lower than five and one-eighth per centum ( $5\frac{1}{8}\%$ ) per annum.

(II) Bonds of the Fifth Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in



subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the special redemption price of the principal amount of the bonds to be redeemed, without premium, in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Fifth Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Fifth Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Fifth Series may have the ownership thereof registered as to principal at the office or agency of

the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Fifth Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

**ARTICLE II.****Sinking Fund for Bonds of the Fifth Series.**

SECTION 2. The Company covenants that, unless all bonds of the Fifth Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Fifth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Fifth Series, on February 1 of each year, beginning with the year 1964 to and including the year 1983, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the Fifth Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Fifth Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Fifth Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Fifth Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Fifth Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary

amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section (subject to the provisions of Sections 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Except as hereinafter specifically prohibited by this paragraph, and notwithstanding any other provisions of this Fourth Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on February 1 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of bonds of the Fifth Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on February 1 of the then current year or of a subsequent year, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Fifth Series is in bearer form not registered as to principal, to the purchase of bonds of the Fifth Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date

forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Fifth Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Fifth Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Fifth Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of Bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Fifth Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Fifth Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Fifth Series; and provided further that, unless consented to by the holders of a majority in principal amount of bonds of the Fifth Series Outstanding at the time of such consent, the Company may not deposit cash prior to February 1, 1964, in anticipation of the requirements of this Section, if the cash so deposited represents a part of a refunding operation, involving, directly

or indirectly, the incurring of indebtedness by the Company having an interest rate or cost (calculated in accordance with acceptable financial practice) lower than five and one-eighth per centum (5 $\frac{1}{8}$ %) per annum.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Fifth Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section shall be deemed to be Funded Cash;

(II) any bonds of the Fifth Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash; and

(III) with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Fifth Series, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Fifth Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section;

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

**ARTICLE III****Miscellaneous Provisions.**

**SECTION 3.** Subject to the amendments provided for in this Fourth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Fourth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

**SECTION 4.** Section 55 of the Mortgage, as amended, is hereby further amended by inserting the words "and subject to the provisions of Section 2 of the Fourth Supplemental Indenture dated as of February 1, 1959", after the words "April 1, 1956".

**SECTION 5.** The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fourth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Fourth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Fourth Supplemental Indenture.

**SECTION 6.** Whenever in this Fourth Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Fourth Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

**SECTION 7.** Nothing in this Fourth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon,

or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Fourth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this Fourth Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 8. This Fourth Supplemental Indenture has been executed in several identical counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Northwest Natural Gas Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and J. C. Kennedy, one of the parties hereto of the second part, has hereunto set his hand and affixed his seal, all in The City of New York, on the 2nd day of February, 1959, as of February 1, 1959.

[CORPORATE SEAL]                      NORTHWEST NATURAL GAS COMPANY,

By C. H. GUEFFROY  
*President.*

Attest:

L. M. GANNON  
*Assistant Secretary.*

Executed, sealed and delivered by NORTHWEST  
NATURAL GAS COMPANY in the presence of:

ROBERT GEORGE SCHUUR

JOHN M. STUART



[CORPORATE SEAL]

BANKERS TRUST COMPANY, as Trustee,  
By W. MCKINLEY  
*Vice President.*

Attest:

A. P. SULLIVAN  
*Assistant Secretary.*

Executed, sealed and delivered by BANKERS  
TRUST COMPANY in the presence of:

W. M. McLAUGHLIN

T. L. KESSELMAN

J. C. KENNEDY (L. S.)

J. C. KENNEDY, as Trustee.

Executed, sealed and delivered by J. C.  
KENNEDY in the presence of:

W. M. McLAUGHLIN

T. L. KESSELMAN

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

February 2nd, A. D. 1959.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is President of NORTHWEST NATURAL GAS COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 2nd day of February, 1959, before me personally appeared C. H. GUEFFROY, to me known to be President of NORTHWEST NATURAL GAS COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARY'S SEAL]

MORTON BARAD  
*Notary Public*  
 MORTON BARAD  
 Notary Public, State of New York  
 No. 24-5170980  
 Qualified in Kings County  
 Certs. filed in Bronx, Queens, Nassau,  
 New York and Westchester Cos.  
 Term Expires March 30, 1960  
 Residing at Brooklyn, N. Y.

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

February 2nd, A. D. 1959.

Before me personally appeared W. McKINLEY, who, being duly sworn, did say that he is a Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 2nd day of February, 1959, before me personally appeared W. McKINLEY, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARY'S SEAL]

JOHN E. GALLIGAN, JR.

*Notary Public*

JOHN E. GALLIGAN, JR.

Notary Public, State of New York  
 No. 41-1364550

Qualified in Queens County  
 Certificate filed in New York County  
 Commission expires March 30, 1959

Residing at Flushing, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

February 2nd, A. D. 1959.

Before me personally appeared the above-named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 2nd day of February, 1959.

[NOTARY'S SEAL]

JOHN E. GALLIGAN, JR.  
*Notary Public*  
JOHN E. GALLIGAN, JR.  
Notary Public, State of New York  
No. 41-1864550  
Qualified in Queens County  
Certificate filed in New York County  
Commission expires March 30, 1959  
Residing at Flushing, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

C. H. GUEFFROY, being duly sworn, deposes and says that he is President of NORTHWEST NATURAL GAS COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

C. H. GUEFFROY

Subscribed and sworn to before me }  
this 2nd day of February, 1959. }

MORTON BARAD  
*Notary Public*

MORTON BARAD  
Notary Public, State of New York  
No. 24-5170980  
Qualified in Kings County  
Certs. filed in Bronx, Queens, Nassau,  
New York and Westchester Cos.  
Term Expires March 30, 1960

[NOTARY'S SEAL]

Residing at Brooklyn, N. Y.

## SUMMARY OF RECORDING DATA

## OREGON

<u>County</u>	<u>Date Filed for Record</u>	<u>Real Property Mortgage Records</u>		<u>Instrument Number</u>	<u>Chattel Mortgage Records</u>
		<u>Book or Reel</u>	<u>Page</u>		
Benton	February 13, 1959	127	465	25399	Indexed
Clackamas	February 13, 1959	497	671	2360	Indexed
Lane	February 13, 1959	126	'59M	59833	Indexed
Linn	February 13, 1959	211	637	162333	Indexed
Marion	February 13, 1959	475	749	584734	Indexed
Multnomah	February 16, 1959	2007	298	6261	Indexed
Polk	February 13, 1959	115	649	117625	Indexed
Wasco	February 13, 1959	91	585	4824	Indexed
Washington	February 13, 1959	384	645	4538	Indexed
Yamhill	February 13, 1959	3	632	56484	Indexed

## WASHINGTON

<u>County</u>	<u>Date Filed for Record</u>	<u>Real Property Mortgage Record</u>		<u>Chattel Mortgage Record Auditor's File No.</u>
		<u>Book or Volume</u>	<u>Page</u>	
Clark	February 18, 1959	M 67	179A	G256396

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**NORTHWEST NATURAL GAS COMPANY**

**TO**

**BANKERS TRUST COMPANY**

**AND**

**J. C. KENNEDY**

**(SUCCESSOR TO R. G. PAGE),**

**As Trustees under the Mortgage and Deed  
of Trust, Dated as of July 1, 1946, of  
Portland Gas & Coke Company (now  
Northwest Natural Gas Company)**

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**Fifth Supplemental Indenture**

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***Dated as of July 1, 1961***

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## FIFTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of July, 1961, made and entered into by and between NORTHWEST NATURAL GAS COMPANY (formerly Portland Gas & Coke Company), a corporation of the State of Oregon, whose post office address is 735 S. W. Morrison Street, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 16 Wall Street, New York 15, New York (hereinafter sometimes called the Corporate Trustee) and J. C. KENNEDY (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company (now Northwest Natural Gas Company) to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Fifth Supplemental Indenture) being supplemental thereto;

WHEREAS the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Fifth Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture), its Second Supplemental Indenture, dated as of March 1, 1954 (hereinafter called its Second Supplemental Indenture) and its Third Supplemental Indenture, dated as of April 1, 1956 (hereinafter called its Third Supplemental Indenture); and



WHEREAS said First, Second and Third Supplemental Indentures were filed for record, and were recorded and indexed, as a mortgage of both real and personal property, in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Fifth Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Fourth Supplemental Indenture, dated as of February 1, 1959 (hereinafter called its Fourth Supplemental Indenture); and

WHEREAS said Fourth Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the States of Oregon and Washington listed below, as follows:

OREGON

County	Date Filed for Record	Real Property Mortgage Records		Instrument Number	Chattel Mortgage Records
		Book or Reel	Page		
Benton	February 13, 1959	127	465	25399	Indexed
Clackamas	February 13, 1959	497	671	2360	Indexed
Lane	February 13, 1959	126	'59M	59833	Indexed
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Multnomah	February 16, 1959	2007	298	6261	Indexed
Polk	February 13, 1959	115	649	117625	Indexed
Wasco	February 13, 1959	91	585	4824	Indexed
Washington	February 13, 1959	384	645	4538	Indexed
Yamhill	February 13, 1959	3	632	56484	Indexed

WASHINGTON

County	Date Filed for Record	Real Property Mortgage Records		Chattel Mortgage Record Auditor's File No.
		Book or Volume	Page	
Clark	February 18, 1959	M 67	179A	G256396;

and

WHEREAS an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession

to said R. G. Page, resigned, under said Mortgage and by J. C. Kennedy accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{1}{8}\%$  Series due 1976 (hereinafter called the bonds of the First Series), of which Ten Million Dollars (\$10,000,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{7}{8}\%$  Series due 1974 (hereinafter called the bonds of the Second Series), of which Two Million Eight Hundred Thousand Dollars (\$2,800,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds, 4% Series due 1974 (hereinafter called the bonds of the Third Series), none of which bonds of the Third Series are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $4\frac{3}{8}\%$  Series due 1976 (hereinafter called the bonds of the Fourth Series), of which Three Million Two Hundred Forty-nine Thousand Dollars (\$3,249,000) in aggregate principal amount are now Outstanding; and bonds of a series entitled and designated First Mortgage Bonds,  $5\frac{1}{8}\%$  Series due 1984 (hereinafter called the bonds of the Fifth Series), of which Seven Million Dollars (\$7,000,000) in aggregate principal amount are now Outstanding; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or

referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented and amended; and

WHEREAS the execution and delivery by the Company of this Fifth Supplemental Indenture, and the terms of the bonds of the Sixth Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Northwest Natural Gas Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged,

and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements,

apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Fifth Supplemental Indenture and from the lien and operation

of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Fifth Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Fifth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

#### ARTICLE I.

##### Sixth Series of Bonds.

SECTION 1. There shall be a series of bonds designated "5 $\frac{1}{8}$ % Series due 1986" (herein sometimes referred to as the "Sixth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Sixth Series shall mature on July 1, 1986, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof);

they shall bear interest at the rate of five and one-eighth per centum ( $5\frac{1}{8}\%$ ) per annum, payable semi-annually on January 1 and July 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Sixth Series shall be dated as of July 1, 1961, and fully registered bonds of the Sixth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Sixth Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

#### GENERAL REDEMPTION PRICES

If redeemed during the 12 months period ending June 30,

1962.....	104.13%	1975.....	101.90%
1963.....	103.96%	1976.....	101.72%
1964.....	103.79%	1977.....	101.55%
1965.....	103.61%	1978.....	101.38%
1966.....	103.44%	1979.....	101.21%
1967.....	103.27%	1980.....	101.04%
1968.....	103.10%	1981.....	100.86%
1969.....	102.93%	1982.....	100.69%
1970.....	102.75%	1983.....	100.52%
1971.....	102.58%	1984.....	100.35%
1972.....	102.41%	1985.....	100.18%
1973.....	102.24%	1986.....	100.00%
1974.....	102.07%		



in each case, together with accrued interest to the date fixed for redemption, provided, however, that no bonds of the Sixth Series may be redeemed pursuant to this subdivision (I) prior to July 1, 1966 as part of any refunding operation involving, directly or indirectly, the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than five and two-tenths per centum (5.2%) per annum.

(II) Bonds of the Sixth Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the special redemption price of the principal amount of the bonds to be redeemed, without premium, in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Sixth Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Sixth Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Sixth Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Sixth Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

**ARTICLE II.****Sinking Fund for Bonds of the Sixth Series.**

SECTION 2. The Company covenants that, unless all bonds of the Sixth Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Sixth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Sixth Series, on July 1 of each year, beginning with the year 1966 to and including the year 1985, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the Sixth Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Sixth Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Sixth Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Sixth Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Sixth Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this

Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section (subject to the provisions of Sections 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Except as hereinafter specifically prohibited by this paragraph, and notwithstanding any other provisions of this Fifth Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on July 1 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of bonds of the Sixth Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on July 1 of the then current year or of a subsequent year, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Sixth Series is in bearer form not registered as to principal, to the purchase of bonds of the Sixth Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (includ-

ing accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Sixth Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Sixth Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Sixth Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of Bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Sixth Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Sixth Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Sixth Series; and provided further that, unless consented to by the holders of a majority in principal

amount of bonds of the Sixth Series Outstanding at the time of such consent, the Company may not deposit cash prior to July 1, 1966, in anticipation of the requirements of this Section, if the cash so deposited represents a part of a refunding operation, involving, directly or indirectly, the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than five and two-tenths per centum (5.2%) per annum.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Sixth Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section shall be deemed to be Funded Cash;

(II) any bonds of the Sixth Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash; and

(III) with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Sixth Series, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Sixth Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section;

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

### ARTICLE III.

#### Miscellaneous Provisions.

SECTION 3. Subject to the amendments provided for in this Fifth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Fifth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 4. Section 55 of the Mortgage, as amended, is hereby further amended by inserting the words "and subject to the provisions of Section 2 of the Fifth Supplemental Indenture dated as of July 1, 1961", after the words "February 1, 1959".

SECTION 5. The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Fifth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Fifth Supplemental Indenture.

SECTION 6. Whenever in this Fifth Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Fifth Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 7. Nothing in this Fifth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Fifth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this Fifth Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 8. This Fifth Supplemental Indenture has been executed in several identical counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Northwest Natural Gas Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf on the 26th day of July, 1961, as of July 1, 1961; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and J. C. Kennedy, one



of the parties hereto of the second part, has herunto set his hand and affixed his seal, all in The City of New York, on the 21st day of July, 1961, as of July 1, 1961.

NORTHWEST NATURAL GAS COMPANY,

[CORPORATE SEAL]

C. H. GUEFFROY  
*President.*

Attest:

L. M. GANNON  
*Assistant Secretary.*

Executed, sealed and delivered by NORTHWEST  
NATURAL GAS COMPANY in the presence of:

R. G. SCHUUR

JOHN M. STUART

BANKERS TRUST COMPANY, as Trustee,

[CORPORATE SEAL]

By W. MCKINLEY  
*Vice President.*

Attest:

G. E. MAIER  
*Assistant Secretary.*

Executed, sealed and delivered by BANKERS  
TRUST COMPANY in the presence of:

J. H. KITROSS

J. R. WATSON

J. C. KENNEDY (L. S.)  
J. C. KENNEDY, as Trustee.

Executed, sealed and delivered by J. C.  
KENNEDY in the presence of:

J. H. KITROSS

J. R. WATSON

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

July 26th, A. D. 1961.

Before me personally appeared C. H. GUEFFROY, who, being duly sworn, did say that he is President of NORTHWEST NATURAL GAS COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 26th day of July, 1961, before me personally appeared C. H. GUEFFROY, to me known to be President of NORTHWEST NATURAL GAS COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARY'S SEAL]

MARGARET A. JANSSEN  
*Notary Public*

MARGARET A. JANSSEN  
 Notary Public, State of New York  
 No. 31-7073980  
 Qualified in New York County  
 Commission Expires March 30, 1962  
 Residing at New York, N. Y.

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } SS.:

July 21st, A. D. 1961.

Before me personally appeared W. McKINLEY, who, being duly sworn, did say that he is a Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 21st day of July, 1961, before me personally appeared W. McKINLEY, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARY'S SEAL]

BERNARD A. FEENEY  
*Notary Public*

BERNARD A. FEENEY  
 Notary Public, State of New York  
 No. 41-6251325  
 Qualified in Queens County  
 Certificate filed in New York County  
 Commission Expires March 30, 1963

Residing at Flushing, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

July 21st, A. D. 1961.

Before me personally appeared the above-named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 21st day of July, 1961.

[NOTARY'S SEAL]

BERNARD A. FEENEY  
*Notary Public*

BERNARD A. FEENEY  
Notary Public, State of New York  
No. 41-6251325  
Qualified in Queens County  
Certificate filed in New York County  
Commission Expires March 30, 1962

Residing at Flushing, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } SS.:

C. H. GUEFFROY, being duly sworn, deposes and says that he is President of NORTHWEST NATURAL GAS COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

C. H. GUEFFROY

Subscribed and sworn to before me }  
this 26th day of July, 1961. }

MARGARET A. JANSSEN  
*Notary Public*

[NOTARY'S SEAL]

MARGARET A. JANSSEN  
Notary Public, State of New York  
No. 51-7073980  
Qualified in New York County  
Commission Expires March 30, 1962

Residing at New York, N. Y.

**SUMMARY OF RECORDING DATA**

Additional Recording of Mortgage and Deed of Trust  
and First Through Fourth Supplemental Indentures in  
Columbia County, State of Oregon, on August 8, 1961

<u>Instrument</u>	<u>Real Property Mortgage Records</u>			<u>Chattel Mortgage Record</u>
	<u>Book or Volume</u>	<u>Page</u>	<u>Instrument Number</u>	
Mortgage and Deed of Trust.....	87	461	3337	Indexed
First Supplemental Indenture.....	87	570	3338	Indexed
Instrument evidencing Succession of J. C. Kennedy as Co-Trustee.....	87	598	3339	Indexed
Second Supplemental Indenture....	87	594	3340	Indexed
Third Supplemental Indenture.....	87	609	3341	Indexed
Fourth Supplemental Indenture....	87	625	3342	Indexed

**Recording of Fifth Supplemental Indenture**

**OREGON**

<u>County</u>	<u>Date Filed For Record</u>	<u>Real Property Mortgage Records</u>		<u>Instrument Number</u>	<u>Chattel Mortgage Record</u>
		<u>Book or Reel</u>	<u>Page</u>		
Benton	August 9, 1961	140	619	40923	Indexed
Clackamas	August 9, 1961	539	2	14678	Indexed
Columbia	August 8, 1961	87	639	3343	Indexed
Lane	August 9, 1961	179	61M	40327	Indexed
Linn	August 9, 1961	227	102	190596	Indexed
Marion	August 9, 1961	510	273	644377	Indexed
Multnomah	August 8, 1961	2151	342	31578	Indexed
Polk	August 9, 1961	122	433	132200	Indexed
Wasco	August 9, 1961	97	272	14748	Indexed
Washington	August 21, 1961	423	109	10507	Indexed
Yamhill	August 9, 1961	18	1	64695	Indexed

**WASHINGTON**

<u>County</u>	<u>Date Filed For Record</u>	<u>Real Property Mortgage Records</u>	<u>Chattel Mortgage Record Auditor's File No.</u>
Clark	August 8, 1961	Microfilm No. 534934	G313365

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**NORTHWEST NATURAL GAS COMPANY**

**TO**

**BANKERS TRUST COMPANY**

**AND**

**J. C. KENNEDY**

**(SUCCESSOR TO R. G. PAGE),**

**As Trustees under the Mortgage and Deed  
of Trust, dated as of July 1, 1946, of  
Portland Gas & Coke Company (now  
Northwest Natural Gas Company)**

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**Sixth Supplemental Indenture**

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***Dated as of January 1, 1964***

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## SIXTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of January, 1964, made and entered into by and between NORTHWEST NATURAL GAS COMPANY (formerly Portland Gas & Coke Company), a corporation of the State of Oregon, whose post office address is 735 S. W. Morrison Street, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 16 Wall Street, New York 15, New York (hereinafter sometimes called the Corporate Trustee) and J. C. KENNEDY (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company (now Northwest Natural Gas Company) to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Sixth Supplemental Indenture) being supplemental thereto;

WHEREAS the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Sixth Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture), its Second Supplemental Indenture, dated as of March 1, 1954 (hereinafter called its Second Supplemental Indenture), its Third Supplemental Indenture, dated as of April 1, 1956 (hereinafter called its Third Supplemental Indenture), and its Fourth Supplemental Indenture dated as of February 1, 1959 (hereinafter called its Fourth Supplemental Indenture); and



WHEREAS said First, Second, Third and Fourth Supplemental Indentures were filed for record, and were recorded and indexed, as a mortgage of both real and personal property, in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Sixth Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Fifth Supplemental Indenture, dated as of July 1, 1961 (hereinafter called its Fifth Supplemental Indenture); and

WHEREAS said Fifth Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the States of Oregon and Washington listed below, as follows:

**OREGON**

County	Date Filed For Record	Real Property Mortgage Records		Instrument Number	Chattel Mortgage Record
		Book or Reel	Page		
Benton	August 9, 1961	140	619	40923	Indexed
Clackamas	August 9, 1961	539	2	14678	Indexed
Columbia	August 8, 1961	87	639	3343	Indexed
Coos	September 9, 1963	188	177	49472	Indexed
Hood River	July 31, 1963	52	517	109441	Indexed
Lane	August 9, 1961	179	61M	40327	Indexed
Linn	August 9, 1961	227	102	190596	Indexed
Marion	August 9, 1961	510	273	644377	Indexed
Multnomah	August 8, 1961	2151	342	31578	Indexed
Polk	August 9, 1961	122	433	132200	Indexed
Wasco	August 9, 1961	97	272	14748	Indexed
Washington	August 21, 1961	423	109	10507	Indexed
Yamhill	August 9, 1961	18	1	64695	Indexed

**WASHINGTON**

County	Date Filed For Record	Real Property Mortgage Records		Chattel Mortgage Record Auditor's File No.
		Book	Page	
Clark	August 8, 1961	Microfilm No. 534934		G313365;
Klickitat	September 27, 1963	95	184	Indexed

and

WHEREAS an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession

to said R. G. Page, resigned, under said Mortgage and by J. C. Kennedy accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{1}{8}\%$  Series due 1976 (hereinafter called the bonds of the First Series), of which Ten Million Dollars (\$10,000,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{7}{8}\%$  Series due 1974 (hereinafter called the bonds of the Second Series), of which Two Million Five Hundred Ninety Thousand Dollars (\$2,590,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $4\%$  Series due 1974 (hereinafter called the bonds of the Third Series), none of which bonds of the Third Series are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $4\frac{3}{8}\%$  Series due 1976 (hereinafter called the bonds of the Fourth Series), of which Two Million Nine Hundred Forty-eight Thousand Dollars (\$2,948,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $5\frac{1}{8}\%$  Series due 1984 (hereinafter called the bonds of the Fifth Series), of which Seven Million Dollars (\$7,000,000) in aggregate principal amount are now Outstanding; and bonds of a series entitled and designated First Mortgage Bonds,  $5\frac{1}{8}\%$  Series due 1986 (hereinafter called the bonds of the Sixth Series), of which Six Million Five Hundred Thousand Dollars (\$6,500,000) in aggregate principal amount are now Outstanding; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms

thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented and amended; and

WHEREAS the execution and delivery by the Company of this Sixth Supplemental Indenture, and the terms of the bonds of the Seventh Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

Now, THEREFORE, THIS INDENTURE WITNESSETH: That Northwest Natural Gas Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and

delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and con-

nections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage, as heretofore supplemented, and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Sixth Supplemental Indenture and from the lien and operation

of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Sixth Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

To HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Sixth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

#### ARTICLE I.

##### Seventh Series of Bonds.

SECTION 1. There shall be a series of bonds designated "4¾% Series due 1989" (herein sometimes referred to as the "Seventh Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Seventh Series shall mature on January 1, 1989, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of four and three-quarters per centum (4¾%) per annum, payable semi-annually on July 1 and January 1 of each year; and the principal of and interest on each said bond

shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Seventh Series shall be dated as of January 1, 1964, and fully registered bonds of the Seventh Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Seventh Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

#### GENERAL REDEMPTION PRICES

If redeemed during the 12 months period ending December 31,

1964.....	105.25%	1977.....	102.41%
1965.....	105.04%	1978.....	102.19%
1966.....	104.82%	1979.....	101.97%
1967.....	104.60%	1980.....	101.75%
1968.....	104.38%	1981.....	101.54%
1969.....	104.16%	1982.....	101.32%
1970.....	103.94%	1983.....	101.10%
1971.....	103.72%	1984.....	100.88%
1972.....	103.50%	1985.....	100.66%
1973.....	103.29%	1986.....	100.44%
1974.....	103.07%	1987.....	100.22%
1975.....	102.85%	1988.....	100.00%
1976.....	102.63%		

in each case, together with accrued interest to the date fixed for redemption, provided, however, that no bonds of the Seventh Series may be redeemed pursuant to this subdivision (I) prior to January 1, 1969 as part of any refunding operation involving, directly or indirectly,



the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than four and seventy-two hundredths per centum (4.72%) per annum.

(II) Bonds of the Seventh Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the following special redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

SPECIAL REDEMPTION PRICES

If redeemed during the 12 months period ending December 31,

1964.....	100.50%	1968.....	100.46%
1965.....	100.49%	1969.....	100.45%
1966.....	100.48%	1970.....	100.43%
1967.....	100.47%	1971.....	100.42%

1972.....	100.40%	1981.....	100.23%
1973.....	100.39%	1982.....	100.21%
1974.....	100.37%	1983.....	100.18%
1975.....	100.35%	1984.....	100.16%
1976.....	100.34%	1985.....	100.13%
1977.....	100.32%	1986.....	100.10%
1978.....	100.30%	1987.....	100.07%
1979.....	100.28%	1988.....	100.00%
1980.....	100.25%		

in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Seventh Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Seventh Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Seventh Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney

and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Seventh Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

## ARTICLE II.

### Sinking Fund for Bonds of the Seventh Series.

SECTION 2. The Company covenants that, unless all bonds of the Seventh Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Seventh Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Seventh Series, on July 1 of each year, beginning with the year 1969 to and including the year 1988, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the Seventh Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Seventh Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Seventh Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Seventh Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Seventh Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section (subject to the provisions of Sections 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Except as hereinafter specifically prohibited by this paragraph, and notwithstanding any other provisions of this Sixth Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on July 1 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of bonds of the Seventh Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on July 1 of the then current year or of a subsequent

year, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Seventh Series is in bearer form not registered as to principal, to the purchase of bonds of the Seventh Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Seventh Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Seventh Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Seventh Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Seventh Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Seventh Series; provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant

to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Seventh Series; and provided further that, unless consented to by the holders of a majority in principal amount of bonds of the Seventh Series Outstanding at the time of such consent, the Company may not deposit cash prior to January 1, 1969, in anticipation of the requirements of this Section, if the cash so deposited represents a part of a refunding operation, involving, directly or indirectly, the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than four and seventy-two hundredths per centum (4.72%) per annum.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Seventh Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section shall be deemed to be Funded Cash;

(II) any bonds of the Seventh Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash; and

(III) with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Seventh Series, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Seventh Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

### ARTICLE III.

#### Miscellaneous Provisions.

SECTION 3. Subject to the amendments provided for in this Sixth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Sixth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 4. Section 55 of the Mortgage, as amended, is hereby further amended by inserting the words "and subject to the provisions of Section 2 of the Sixth Supplemental Indenture dated as of January 1, 1964", after the words "July 1, 1961".

SECTION 5. The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Sixth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Sixth Supplemental Indenture with the same force and effect as if the same were herein set forth

in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Sixth Supplemental Indenture.

SECTION 6. Whenever in this Sixth Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Sixth Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 7. Nothing in this Sixth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Sixth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this Sixth Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 8. This Sixth Supplemental Indenture has been executed in several identical counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Northwest Natural Gas Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf on the 10th day of January, 1964, as of January 1, 1964; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and J. C. Kennedy, one of the parties hereto of the second



part, has hereunto set his hand and affixed his seal, all in The City of New York, on the 10th day of January, 1964, as of January 1, 1964.

NORTHWEST NATURAL GAS COMPANY

By .....  
*President.*

Attest:

.....  
*Assistant Secretary.*  
Executed, sealed and delivered by NORTHWEST  
NATURAL GAS COMPANY in the presence of:

BANKERS TRUST COMPANY, as Trustee,

By .....  
*Assistant Vice President.*

Attest:

.....  
*Assistant Secretary.*  
Executed, sealed and delivered by BANKERS  
TRUST COMPANY in the presence of:

.....(L.S.)  
J. C. KENNEDY, as Trustee.

Executed, sealed and delivered by J. C.  
KENNEDY in the presence of:

T

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

January 10th, A. D. 1964.

Before me personally appeared FRANCIS F. HILL, who, being duly sworn, did say that he is President of NORTHWEST NATURAL GAS COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 10th day of January, 1964, before me personally appeared FRANCIS F. HILL, to me known to be President of NORTHWEST NATURAL GAS COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

.....  
*Notary Public*

MORTON BARAD  
NOTARY PUBLIC, State of New York  
No. 24-5170980  
Qualified in Kings County  
Certs. filed in Bronx, Queens, Nassau,  
New York and Westchester Cos.  
Term Expires March 30, 1964

Residing in Brooklyn, N. Y.

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

January 10th, A. D. 1964.

Before me personally appeared A. P. SULLIVAN, who, being duly sworn, did say that he is an Assistant Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 10th day of January, 1964, before me personally appeared A. P. SULLIVAN, to me known to be an Assistant Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

.....  
*Notary Public*

S. ARNOLD SMITH  
 Notary Public, State of New York  
 No. 24-3743800  
 Qualified in Kings County  
 Certificate filed in New York County  
 Commission Expires March 30, 1965  
 Residing in Brooklyn, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

January 10th, A. D. 1964.

Before me personally appeared the above-named J. C. KENNEDY and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me J. C. KENNEDY to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 10th day of January, 1964.

.....  
*Notary Public*

S. ARNOLD SMITH  
Notary Public, State of New York  
No. 24-3743800  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1965

Residing in Brooklyn, N. Y.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

FRANCIS F. HILL, being duly sworn, deposes and says that he is President of NORTHWEST NATURAL GAS COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

.....  
Subscribed and sworn to before me }  
this 10th day of January, 1964. }

.....  
*Notary Public*

MORTON BARAD  
NOTARY PUBLIC, State of New York  
No. 24-5170980  
Qualified in Kings County  
Certs. filed in Bronx, Queens, Nassau,  
New York and Westchester Cos.  
Term Expires March 30, 1964

Residing in Brooklyn, N. Y.

[Conformed Copy]

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NORTHWEST NATURAL GAS COMPANY

TO

BANKERS TRUST COMPANY

AND

J. C. KENNEDY

(SUCCESSOR TO R. G. PAGE),

As Trustees under the Mortgage and Deed  
of Trust, dated as of July 1, 1946, of  
Portland Gas & Coke Company (now  
Northwest Natural Gas Company)

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**Seventh Supplemental Indenture**

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*Dated as of March 1, 1966*

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## SEVENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of March, 1966, made and entered into by and between NORTHWEST NATURAL GAS COMPANY (formerly Portland Gas & Coke Company), a corporation of the State of Oregon, whose post office address is 735 S. W. Morrison Street, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 16 Wall Street, New York, New York 10015 (hereinafter sometimes called the Corporate Trustee) and J. C. KENNEDY (successor to R. G. Page), whose post office address is 73 Gates Avenue, Montclair, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company (now Northwest Natural Gas Company) to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called Seventh Supplemental Indenture) being supplemental thereto;

WHEREAS the Mortgage was or is to be recorded in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Seventh Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of June 1, 1949 (hereinafter called its First Supplemental Indenture), its Second Supplemental Indenture, dated as of March 1, 1954 (hereinafter called its Second Supplemental Indenture), its Third Supplemental Indenture, dated as of April 1, 1956 (hereinafter called its Third Supplemental Indenture), its Fourth Supplemental Indenture, dated as of February 1, 1959 (hereinafter called its Fourth Supplemental Indenture), and its Fifth Supplemental Indenture, dated as of July 1, 1961 (hereinafter called its Fifth Supplemental Indenture); and

WHEREAS said First, Second, Third, Fourth and Fifth Supplemental Indentures were filed for record, and were recorded and indexed, as a mortgage of both real and personal property, in the official records of various counties in the States of Oregon and Washington which counties include or will include all counties in which this Seventh Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Sixth Supplemental Indenture, dated as of January 1, 1964 (hereinafter called its Sixth Supplemental Indenture); and

WHEREAS said Sixth Supplemental Indenture was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, and financing statements were filed, in the official records of the several counties and other offices in the States of Oregon and Washington listed below, as follows:



## OREGON

County/Office	Real Property Mortgage Records			Financing Statement	
	Date Filed For Record	Book or Reel	Page	Date Filed	File No.
Benton	January 17, 1964	155 —	374	March 16, 1964	1095
Clackamas	January 17, 1964	587 —	456	March 16, 1964	B-1371
Columbia	July 1, 1964	95 —	624	March 16, 1964	B-293
Coos	January 17, 1964	190 —	339	March 16, 1964	A-2105
Hood River	January 17, 1964	53 —	667	March 16, 1964	B-123
Lane	January 17, 1964	248M		March 16, 1964	5890
Linn	January 17, 1964	244 —	607	March 16, 1964	A-2782
Marion	January 17, 1964	551 —	784	March 16, 1964	B-1747
Multnomah	January 17, 1964	2316 —	384	March 10, 1964	B-5329
Polk	January 17, 1964	131 —	305	March 16, 1964	A-1193
Wasco	January 17, 1964	Microfilm No.640130		March 23, 1964	A-0842
Washington	January 17, 1964	491 —	245	March 16, 1964	B-1039
Yamhill	January 17, 1964	34 —	954	March 16, 1964	A-1182
Secretary of State				March 16, 1964	A-17734
Clatsop	August 16, 1965	163 —	353	August 16, 1965	B-2098
Lincoln	August 25, 1965	129 —	140	August 25, 1965	C-895
Tillamook	October 18, 1965	88 —	413	October 18, 1965	1683
Douglas	October 29, 1965	360 —	354	October 29, 1965	S-9338

(An executed counterpart of the Sixth Supplemental Indenture was filed January 29, 1964 in the office of the Auditor of the City of Portland, Oregon.)

## WASHINGTON

County/Office	Real Property Mortgage Records			Chattel Mortgage Auditor's File No.
	Date Filed For Record	Book or Reel	Page	
Clark	January 20, 1964	Microfilm No.587518		G375341
Klickitat	January 17, 1964	95 —	439	111920
Skamania	July 16, 1965	43 —	46	Filed and Indexed

and

WHEREAS an instrument dated as of June 14, 1951, was executed by the Company appointing J. C. Kennedy as Co-Trustee in succession to said R. G. Page, resigned, under said Mortgage and by J. C.

Kennedy accepting the appointment as Co-Trustee under said Mortgage in succession to the said R. G. Page, which instrument was recorded in various counties in the States of Oregon and Washington; and

WHEREAS in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{1}{8}\%$  Series due 1976 (hereinafter called the bonds of the First Series), of which Ten Million Dollars (\$10,000,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $3\frac{7}{8}\%$  Series due 1974 (hereinafter called the bonds of the Second Series), of which Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds, 4% Series due 1974 (hereinafter called the bonds of the Third Series), none of which bonds of the Third Series are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $4\frac{3}{8}\%$  Series due 1976 (hereinafter called the bonds of the Fourth Series), of which Two Million Six Hundred Sixty Nine Thousand Dollars (\$2,669,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $5\frac{1}{8}\%$  Series due 1984 (hereinafter called the bonds of the Fifth Series), of which Six Million Five Hundred Eighty Thousand Dollars (\$6,580,000) in aggregate principal amount are now Outstanding; bonds of a series entitled and designated First Mortgage Bonds,  $5\frac{1}{8}\%$  Series due 1986 (hereinafter called the bonds of the Sixth Series), of which Six Million Five Hundred Thousand Dollars (\$6,500,000) in aggregate principal amount are now Outstanding; and bonds of a series entitled and designated First Mortgage Bonds,  $4\frac{3}{4}\%$  Series due 1989 (hereinafter called the bonds of the Seventh Series), of which Seven Million Dollars (\$7,000,000) in aggregate principal amount are now Outstanding; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the cove-

nants and provisions contained in the Mortgage, as heretofore supplemented and amended; and

WHEREAS the execution and delivery by the Company of this Seventh Supplemental Indenture, and the terms of the bonds of the Eighth Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Northwest Natural Gas Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees, and in order further to secure the payment both of the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto J. C. Kennedy (successor to R. G. Page, as Co-Trustee) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Mortgage, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage expressly excepted) now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the

scope and intent of the foregoing) all lands, gas plants, by-product plants, gas holders, gas mains and pipes; all power sites, water rights, reservoirs, canals, raceways, dams, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracts, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at

law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage, as heretofore supplemented, and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Seventh Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage, as heretofore supplemented, or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; (4) the last day of the term of any lease or

leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice, and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this Seventh Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

To HAVE AND To HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto J. C. Kennedy and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Seventh Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and

the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

#### ARTICLE I.

##### **Eighth Series of Bonds.**

SECTION 1. There shall be a series of bonds designated "5¾% Series due 1991" (herein sometimes referred to as the "Eighth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Eighth Series shall mature on March 1, 1991, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of five and three-quarters per centum (5¾%) per annum, payable semi-annually on September 1 and March 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Eighth Series shall be dated as of March 1, 1966, and fully registered bonds of the Eighth Series shall be dated as in Section 10 of the Mortgage provided.



(I) Bonds of the Eighth Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortgage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

GENERAL REDEMPTION PRICES

If redeemed during the 12 months period ending the last day of February,

1967 .....	104.25%	1980 .....	101.95%
1968 .....	104.08%	1981 .....	101.78%
1969 .....	103.90%	1982 .....	101.60%
1970 .....	103.72%	1983 .....	101.42%
1971 .....	103.55%	1984 .....	101.24%
1972 .....	103.37%	1985 .....	101.07%
1973 .....	103.19%	1986 .....	100.89%
1974 .....	103.02%	1987 .....	100.71%
1975 .....	102.84%	1988 .....	100.54%
1976 .....	102.66%	1989 .....	100.36%
1977 .....	102.48%	1990 .....	100.18%
1978 .....	102.31%	1991 .....	100.00%
1979 .....	102.13%		

in each case, together with accrued interest to the date fixed for redemption; provided, however, that no bonds of the Eighth Series may be redeemed pursuant to this subdivision (I) prior to March 1, 1971 as part of any refunding operation involving, directly or indirectly, the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than five and ninety-four one-hundredths per centum (5.94%) per annum.

(II) Bonds of the Eighth Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pur-

suant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the special redemption price of the principal amount of the bonds to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Eighth Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Eighth Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a

written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Eighth Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Eighth Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

## ARTICLE II.

### Sinking Fund for Bonds of the Eighth Series.

SECTION 2. The Company covenants that, unless all bonds of the Eighth Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Eighth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Eighth Series, on July 1 of each year, beginning with the year 1971 to and including the year 1990, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the

Eighth Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Eighth Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Eighth Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Eighth Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Eighth Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate