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BOOK 116 PAGE 503

EXECUTED IN 40 COUNTERPARTS OF  
WHICH THIS IS COUNTERPART NO. 32

NORTHWEST NATURAL GAS COMPANY

TO

BANKERS TRUST COMPANY

AND

STANLEY BURG (SUCCESSOR TO R. G. PAGE AND J. C. KENNEDY),

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)

SEVENTEENTH SUPPLEMENTAL INDENTURE

providing among other things for

First Mortgage Bonds, 9 1/8% Series due 2019

Dated as of October 1, 1989

Registered  
Indexed, *h*  
Indirect  
Filed 11-3-89  
Mailed

FILED FOR RECORD  
SKAMMILL CO. WASH  
BY Northwest Natural Gas  
Oct 30 2 05 PM '89  
GARY M. OLSON  
NOTOR

## SEVENTEENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of October, 1989, 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 One Pacific Square, 220 N.W. Second Avenue, Portland, Oregon 97209 (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 Four Albany Street, New York, New York 10015 (hereinafter sometimes called the Corporate Trustee) and STANLEY BURG (successor to R. G. PAGE and J. C. KENNEDY), whose post office address is c/o Bankers Trust Company, Four Albany Street, New York, New York 10015 (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 Seventeenth 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 Seventeenth 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), its Fifth Supplemental Indenture, dated as of July 1, 1961 (hereinafter called its Fifth Supplemental Indenture), its Sixth Supplemental Indenture, dated as of January 1, 1964 (hereinafter called its Sixth Supplemental Indenture), its Seventh Supplemental Indenture, dated as of March 1, 1966 (hereinafter called its Seventh Supplemental Indenture), its Eighth Supplemental Indenture, dated as of December 1, 1969 (hereinafter called its Eighth Supplemental Indenture), its Ninth Supplemental Indenture, dated as of April 1, 1971 (hereinafter called its Ninth Supplemental Indenture), its Tenth Supplemental Indenture, dated as of January 1, 1975 (hereinafter called its Tenth Supplemental Indenture), its Eleventh Supplemental Indenture, dated as of December 1, 1975 (hereinafter called its Eleventh Supplemental Indenture), its Twelfth Supplemental Indenture, dated as of July 1, 1981 (hereinafter called its Twelfth Supplemental Indenture), its Thirteenth Supplemental Indenture, dated as of June 1, 1985 (hereinafter called its Thirteenth Supplemental Indenture), its Fourteenth Supplemental Indenture, dated as of November 1, 1985 (hereinafter called its Fourteenth Supplemental Indenture), and its Fifteenth Supplemental Indenture, dated as of July 1, 1986 (hereinafter called its Fifteenth Supplemental Indenture); and

WHEREAS said First through Fifteenth 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 Seventeenth Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Sixteenth Supplemental Indenture, dated as of November 1, 1988 (hereinafter called its Sixteenth Supplemental Indenture); and

WHEREAS said Sixteenth 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:

-3-

## OREGON

## Real Property Mortgage Records

<u>County</u>	<u>Date Recorded</u>	<u>Book, Film or Reel</u>	<u>Page</u>
Benton	December 1, 1988	M-106910-88	-
Clackamas	December 1, 1988	88 50344	-
Clatsop	December 1, 1988	707	470
Columbia	December 1, 1988	88-6204	-
Coos	December 2, 1988	88-12-0109	-
Douglas	December 2, 1988	1042	119
Hood River	December 2, 1988	882808	-
Lane	December 1, 1988	1546R (8850420)	-
Lincoln	December 1, 1988	199	0823
Linn	December 1, 1988	487	472
Marion	December 2, 1988	659	370
Multnomah	December 2, 1988	2160	667
Polk	December 1, 1988	218	448
Tillamook	December 1, 1988	318	943
Wasco	December 1, 1988	883474	-
Washington	December 2, 1988	88-53799	-
Yamhill	December 1, 1988	F228PO068	-

## Filed as a Financing Statement

<u>Office</u>	<u>Date Filed for Record</u>	<u>File No.</u>
Secretary of State	December 2, 1988	N 01045

## WASHINGTON

## Real Property Mortgage Records

<u>County</u>	<u>Date Recorded</u>	<u>Book, Film or Reel</u>	<u>Page</u>
Clark	December 2, 1988	8812020080	-
Klickitat	December 1, 1988	250	294
Skamania	December 2, 1988	112	95



-4-

## Filed as a Financing Statement

<u>Office</u>	<u>Date Filed for Record</u>	<u>File Number</u>
Secretary of State	December 2, 1988	88-337-0063

; 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 the Mortgage and by J. C. Kennedy accepting the appointment as Co-Trustee under the 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 the Ninth Supplemental Indenture STANLEY BURG was appointed by the Company as Co-Trustee under the Mortgage in succession to said J. C. KENNEDY (resigned) and in the Ninth Supplemental Indenture Stanley Burg accepted such appointment as Co-Trustee under the Mortgage in succession to said J. C. Kennedy; 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, the following series of First Mortgage Bonds:

<u>Series</u>	<u>Principal Amount Outstanding</u>
4-3/4% Series due 1989.....	None
5-3/4% Series due 1991.....	\$ 9,518,000
9-3/8% Series due 1974.....	None
8-5/8% Series due 1996.....	\$11,739,000
12 % Series due 1984.....	None
10-1/2% Series due 1986.....	None
14-3/4% Series due 1989.....	None
10-1/8% Series due 1995.....	\$15,000,000
10.35% Series due November 1, 1997.....	\$15,000,000
9-3/8% Series due 2011.....	\$48,000,000
9.80% Series due 2018.....	\$24,989,000

; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First

Series) issued thereunder 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 Seventeenth Supplemental Indenture, and the terms of the bonds of the Eighteenth 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 Stanley Burg 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 Seventeenth 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 in 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 Seventeenth 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 Stanley Burg 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 Seventeenth 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.

##### Eighteenth Series of Bonds.

SECTION 1.01. There shall be a series of bonds designated "9 1/8% Series due 2019" (herein sometimes referred to as the "Eighteenth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, 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 Article I and in Article II specified. Bonds of the Eighteenth Series shall be limited to \$25,000,000, in aggregate principal amount at any one time Outstanding except as provided in Section 16 of the Mortgage and shall mature on October 1, 2019, and shall be issued 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). Bonds of the Eighteenth Series shall bear interest at the rate of 9 1/8% per annum, payable semi-annually on April 1 and October 1 of each year; and the principal of, and premium, if any, 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

-10-

public and private debts. Bonds of the Eighteenth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Eighteenth 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, as provided in Section 52 of the Mortgage, mailed 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 September 30,

1990.....108.43%	2000.....104.22%	2010..... 100.00%
1991.....108.01%	2001.....103.80%	2011..... 100.00%
1992.....107.59%	2002.....103.37%	2012..... 100.00%
1993.....107.17%	2003.....102.95%	2013..... 100.00%
1994.....106.74%	2004.....102.53%	2014..... 100.00%
1995.....106.32%	2005.....102.11%	2015..... 100.00%
1996.....105.90%	2006.....101.69%	2016..... 100.00%
1997.....105.48%	2007.....101.27%	2017..... 100.00%
1998.....105.06%	2008.....100.85%	2018..... 100.00%
1999.....104.64%	2009.....100.43%	2019..... 100.00%

in each case, together with accrued interest to the date fixed for redemption; provided, however, that no bonds of the Eighteenth Series may be redeemed at said general redemption prices prior to October 1, 1996, 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 9.24% per annum.

(II) Bonds of the Eighteenth 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 64 of the Mortgage (so long as any bonds of the Seventh, Eighth or Tenth Series remain Outstanding), 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 calen-



-11-

dar 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 in accordance with the Total Special Redemption Fund Requirement for said calendar year, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of 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 September 30,

1990.....100.00%	2000.....100.00%	2010.....100.00%
1991.....100.00%	2001.....100.00%	2011.....100.00%
1992.....100.00%	2002.....100.00%	2012.....100.00%
1993.....100.00%	2003.....100.00%	2013.....100.00%
1994.....100.00%	2004.....100.00%	2014.....100.00%
1995.....100.00%	2005.....100.00%	2015.....100.00%
1996.....100.00%	2006.....100.00%	2016.....100.00%
1997.....100.00%	2007.....100.00%	2017.....100.00%
1998.....100.00%	2008.....100.00%	2018.....100.00%
1999.....100.00%	2009.....100.00%	2019.....100.00%

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

(III) At the option of the registered owner, any bonds of the Eighteenth Series, upon surrender thereof, for cancellation, 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

bonds of the same series of other authorized denominations.

Transfers of bonds of the Eighteenth Series may be registered (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York.

Upon any registration of transfer or exchange of bonds of the Eighteenth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any registration of exchange or transfer of bonds of the Eighteenth Series.

## ARTICLE II.

### Special Redemption Fund for Bonds of the Eighteenth Series

Section 2. The Company covenants that, unless all bonds of the Eighteenth Series shall have ceased to be Outstanding, it will, as a Special Redemption Fund for the retirement of bonds of the Eighteenth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Eighteenth Series, on October 1 of each year, beginning with the year 1995, to and including the year 2018, equal to the Total Special Redemption Fund Requirement for said calendar year. The term "Total Special Redemption Fund Requirement" shall mean for any calendar year \$1,000,000 in cash and/or principal amount of bonds of the Eighteenth Series (herein called the "Mandatory Special Redemption Fund Requirement") plus the Optional Special Redemption Fund Payment, if any, for such calendar year. The term "Optional Special Redemption Fund Payment" shall mean, for any calendar year, any amount, not in excess of \$1,000,000 in cash and/or principal amount of bonds of the Eighteenth Series, that the Company elects to add to the Special Redemption Fund for such calendar year. At the option of the Company, Optional Special Redemption Fund Payments may (at any time after they are made) be applied (to the extent not theretofore so applied) in whole or in part from time to time, to reduce Mandatory Special Redemption Fund Requirements for subsequent years upon written notice to the Corporate Trustee.

The Company, at its option (as evidenced by a written order of any Vice President, 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 Eighteenth 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 cancelled 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 Seventeenth Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the Total Special Redemption Fund Requirement becoming due on October 1 of the then current year or the Mandatory Special Redemption Fund Requirement becoming due on October 1 of any subsequent year or years, by depositing cash and/or a principal amount of bonds of the Eighteenth 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, to the purchase of bonds of the Eighteenth Series, at public or private sale; provided, however, that the Corporate Trustee, before making any purchases of bonds as so provided shall by mail notify all registered owners of bonds of the Eighteenth 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 (including accrued interest and brokerage, if any) most favorable to the Company but not exceeding 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), 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 Eighteenth Series registered in the names of the owners offering bonds at such price, or to the redemption of bonds of the Eighteenth 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 Eighteenth Series; and provided further that, unless consented to by the holders of a majority in principal amount of bonds of the Eighteenth Series Outstanding at the time of such consent, the Company may not deposit cash prior to October 1, 1996 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 9.24% per annum.

Any cash deposited under the provisions of this Section shall not be deemed to be Funded Cash; any bonds of the Eighteenth Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall not be deemed to have been retired by the use of Funded Cash; and with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Eighteenth Series, it shall not 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 Cor-

porate Trustee pursuant to the provisions of this Section, shall forthwith be cancelled 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 Eighteenth 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 3.01. Subject to the amendments provided for in this Seventeenth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Seventeenth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 3.02. 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 Seventeenth 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 Seventeenth 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 the Seventeenth Supplemental Indenture.

SECTION 3.03. Whenever in this Seventeenth 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 Seventeenth 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 3.04. Nothing in this Seventeenth 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 Seventeenth 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 Seventeenth 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 3.05. This Seventeenth 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.



-17-

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 19th day of October, 1989, as of October 1, 1989, in Portland, Oregon; 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 Stanley Burg, 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 23rd day of October, 1989, as of October 1, 1989.

NORTHWEST NATURAL GAS COMPANY

By *Bruce R. [Signature]*  
Senior Vice President,  
Finance and Administration

Attest:

*C. J. [Signature]*  
Secretary

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

*Wayne Stetger*

*Leslie K. Alldrin*





BANKERS TRUST COMPANY, as Trustee,

By William A. Miller  
Vice President

Attest:

J. Peter Mac  
Assistant Secretary

Stanley Burg  
STANLEY BURG, as Trustee

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

Todd Alzares  
Eric M. Hansen



-19-

STATE OF OREGON           )  
                                  : ss.:  
COUNTY OF MULTNOMAH   )  
October 19, A.D. 1989.

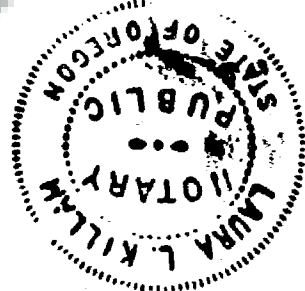
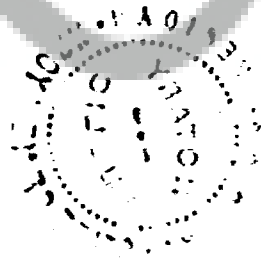
Before me personally appeared BRUCE R. DEBOLT, who, being duly sworn, did say that he is Senior Vice President, Finance and Administration, of NORTHWEST NATURAL GAS COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed 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 19th day of October, 1989, before me personally appeared BRUCE R. DEBOLT, to me known to be Senior Vice President, Finance and Administration 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.

*Laura L. Killam*

LAURA L. KILLAM  
Notary Public, State of Oregon  
My Commission Expires January 5, 1991





-20-

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

October 23, A.D. 1989.

Before me personally appeared BARBARA A. JOINER, who, being duly sworn, did say that she 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 she acknowledged said instrument to be its voluntary act and deed.

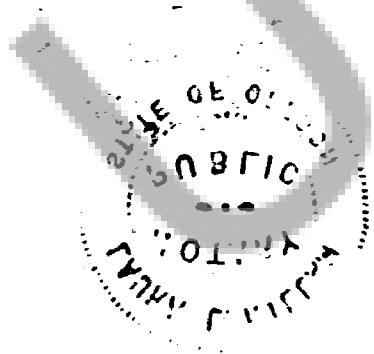
On this 23rd day of October, 1989, before me personally appeared BARBARA A. JOINER, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that she 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.

*Barbara A. Sheridan*  
BARBARA A. SHERIDAN

Notary Public, State of New York  
No. 03-4802445

Qualified in Bronx County  
Certificate Filed in New York County  
Commission Expires February 28, 1991



-21-

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

October 23, A.D. 1989.

Before me personally appeared the above-named  
STANLEY BURG and acknowledged the foregoing instrument to  
be his voluntary act and deed.

On this day personally appeared before me  
STANLEY BURG 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 23rd  
day of October, 1989.

*Barbara A. Sheridan*

BARBARA A. SHERIDAN  
Notary Public, State of New York  
No. 03-4802445  
Qualified in Bronx County  
Certificate Filed in New York County  
Commission Expires February 28, 1991

