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SKAMAHOO, WASH.
BY *NW Natural Gas Co.*

JUL 5 3 45 PM '90

P. Lowry
AUDITOR
GARY H. OLSON

BOOK 119 PAGE 651

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)

EIGHTEENTH SUPPLEMENTAL INDENTURE

providing among other things for

First Mortgage Bonds, 9 3/4% Series due 2015

Dated as of July 1, 1990

Registered *P*
Indexed, Sir *E*
Indirect *E*
Filmed *7-6-90*
Mailed

EIGHTEENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of July, 1990, 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 Eighteenth 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 Eighteenth 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

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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), its Fifteenth Supplemental Indenture, dated as of July 1, 1986 (hereinafter called its Fifteenth Supplemental Indenture), and its Sixteenth Supplemental Indenture, dated as of November 1, 1988 (hereinafter called its Sixteenth Supplemental Indenture); and

WHEREAS said First through Sixteenth 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 Eighteenth Supplemental Indenture is to be recorded; and

WHEREAS the Company executed and delivered to the Trustees its Seventeenth Supplemental Indenture, dated as of October 1, 1989 (hereinafter called its Seventeenth Supplemental Indenture); and

WHEREAS said Seventeenth 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:

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OREGON

Real Property Mortgage Records

<u>County</u>	<u>Date Recorded</u>	<u>Book, Film or Reel</u>	<u>Page</u>
Benton	October 27, 1989	M-116844-89	-
Clackamas	October 30, 1989	89 48562	-
Clatsop	October 30, 1989	726	580
Columbia	October 27, 1989	89-6310	-
Coos	October 31, 1989	89-10-1993	-
Douglas	October 27, 1989	1079	129
Hood River	October 30, 1989	892994	-
Lane	October 27, 1989	8948696	-
Lincoln	October 27, 1989	210	0933
Linn	October 27, 1989	514	812
Marion	October 27, 1989	726	415
Multnomah	October 30, 1989	2248	1890
Polk	October 27, 1989	227	957
Tillamook	October 30, 1989	324	615
Wasco	October 27, 1989	893143	-
Washington	October 30, 1989	89-52457	-
Yamhill	October 31, 1989	F237P1391	-

Filed as a Financing Statement

<u>Office</u>	<u>Date Filed for Record</u>	<u>File No.</u>
Secretary of State	October 27, 1989	N 59689

WASHINGTON

Real Property Mortgage Records

<u>County</u>	<u>Date Recorded</u>	<u>Book, Film or Reel</u>	<u>Page</u>
Clark	October 27, 1989	399	1
Klickitat	October 27, 1989	258	214
Skamania	October 30, 1989	116	503

Filed as a Financing Statement

<u>Office</u>	<u>Date Filed for Record</u>	<u>File Number</u>
Secretary of State	October 30, 1989	89-303-0651

; 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>
5-3/4% Series due 1991.....	\$ 9,368,000
8-5/8% Series due 1996.....	\$11,668,000
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
9-1/8% Series due 2019.....	\$25,000,000

; 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 Di-

rectors, 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 Eighteenth Supplemental Indenture, and the terms of the bonds of the Nineteenth 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 trans-

mission 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 Eighteenth 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 Eighteenth 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 Eighteenth 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.

Nineteenth Series of Bonds.

SECTION 1.01. There shall be a series of bonds designated "9 3/4% Series due 2015" (herein sometimes referred to as the "Nineteenth 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 specified. Bonds of the Nineteenth Series shall be limited to \$50,000,000, in aggregate principal amount at any one time outstanding except as provided in Section 16 of the Mortgage and shall mature on July 1, 2015, 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 Nineteenth Series shall bear interest at the rate of 9 3/4% per annum, payable semi-annually on January 1 and July 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 public and private debts. Bonds of the Nineteenth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Nineteenth Series shall be redeemable on and after July 1, 2000, either at the option of the Company or pursuant to the requirements of the Mortgage including Section 64 thereof, 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 redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

REDEMPTION PRICES

If redeemed during the 12 months period ending June 30,

2001.....104.63%	2009.....100.93%
2002.....104.17%	2010.....100.47%
2003.....103.70%	2011.....100.00%
2004.....103.24%	2012.....100.00%
2005.....102.78%	2013.....100.00%
2006.....102.32%	2014.....100.00%
2007.....101.85%	2015.....100.00%
2008.....101.39%	

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

(II) At the option of the registered owner, any bonds of the Nineteenth 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 Nineteenth 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 Nineteenth 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 Nineteenth Series.

ARTICLE II.

Miscellaneous Provisions.

SECTION 2.01. The Company reserves the right, without any consent or other action by holders of bonds of the Nineteenth Series or of any subsequently created series, to amend the Mortgage, as heretofore amended and supplemented, as follows:

To amend subdivision (B) of Section 7 and the first paragraph following such subdivision (B) to read as follows:

"(B) the Annual Interest Requirements, being the interest requirements, if any, at the stated rate or rates therefor for twelve (12) months upon:

(i) all bonds outstanding hereunder at the date of such certificate, except any for the payment of which the bonds applied for in all pending applications included under (ii) below are to be issued; provided that, if any such series of outstanding bonds bears interest at varying rates, then the interest on such series of bonds shall be computed at the average annual rate in effect for such series during the period of twelve (12) consecutive calendar months (or any portion thereof in which bonds of such series are outstanding) being used for the calculation of Adjusted Net Earnings; and if such outstanding bonds have been issued after the end of such twelve (12) consecutive calendar months, then computed at the initial rate upon issuance;

(ii) all bonds then applied for in pending applications, including the application in connection with which such certificate is made, computed at the initial rate upon issuance;

(iii) all Qualified Lien Bonds which will be outstanding immediately after the authentication of the bonds then applied for in pending applications, including the application in connection with which such certificate is made; provided that, if any Qualified Lien Bonds bear interest at varying rates, then the interest on such Qualified Lien Bonds shall be computed at the average annual rate in effect for such Qualified Lien Bonds during the period

of twelve (12) consecutive calendar months (or any portion thereof in which such Qualified Lien Bonds are Outstanding) being used for the calculation of Adjusted Net Earnings; and if such Qualified Lien Bonds have been issued after the end of such last month, then computed at the initial rate upon issuance;

(iv) the principal amount of all other indebtedness (except indebtedness for the payment of which the bonds applied for in all pending applications included under (ii) above are to be issued and indebtedness for the purchase, payment or redemption of which moneys in the necessary amount shall have been deposited with or be held by the Corporate Trustee or the trustee or other holder of a Qualified Lien or lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture with irrevocable direction so to apply the same; provided that, 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), outstanding in the hands of the public on the date of such certificate and secured by lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture, if said indebtedness has been assumed by the Company or if the Company customarily pays the interest upon the principal thereof; provided further that, if any such indebtedness bears interest at varying rates, then the interest on such indebtedness shall be computed at the average annual rate in effect for such indebtedness during the period of twelve (12) consecutive calendar months (or any portion thereof in which such indebtedness is outstanding) being used for the calculation of Adjusted Net Earnings; and if such indebtedness has been issued after the end of such twelve (12) consecutive calendar months, then computed at the initial rate upon issuance.

In calculating such Adjusted Net Earnings, all the Company's expenses for taxes (other than income, profits and other taxes measured by, or dependent on, net income), assessments, rentals and insurance shall be included in its operating expenses, or otherwise deducted from its revenues and income; provided, however, that no expenses or provisions for interest

on any of its indebtedness or for the amortization of debt discount, premium and expense, or loss on reacquired debt, amortization of property (other than depreciation or other similar provisions for property retirement), or for other amortization, or for any other extraordinary charge to income of whatever kind or nature, or for refunds of revenues previously collected by the Company subject to possible refund, or for any improvement or sinking fund or other device for the retirement of any indebtedness, shall be required to be included in operating expenses to be deducted from or shall be otherwise required to be deducted from, its revenues or its other income and no extraordinary items of any kind or nature shall be included in calculating such Adjusted Net Earnings."

SECTION 2.02. The Company reserves the right, without any consent or other action by holders of bonds of the Nineteenth Series or of any subsequently created series, to amend the Mortgage, as heretofore amended and supplemented, as follows:

To amend the provisions of Sections 25, 26, 59 and 61 of the Mortgage by substituting the phrase "seventy per centum (70%)" for the phrase "sixty per centum (60%)" and substituting the phrase "ten-sevenths (10/7ths)" for the phrase "ten-sixths (10/6ths)" each time such phrase or phrases occur in said Sections.

SECTION 2.03. The Company reserves the right, without any consent or other action by holders of bonds of the Nineteenth Series or of any subsequently created series, to amend the Mortgage, as heretofore amended and supplemented, as follows:

To amend subdivision (1) of Section 59 of the Mortgage to read as follows:

"(i) an Officers' Certificate describing in reasonable detail the property to be released and requesting such release";

To amend subdivisions (3)(b) and (c) of Section 59 of the Mortgage to read as follows:

"(b) the fair value, and the Cost (or as to Property Additions constituting Funded Property of which the fair value to the Company at the time the same became Funded Property was less than the Cost, then such fair value in lieu of Cost), in the opinion of the signers, of the property (or securities) to be released; (c) the Cost

(or as to Property Additions constituting Funded Property of which the fair value to the Company at the time the same became Funded Property was less than the Cost, then such fair value in lieu of Cost), in the opinion of the signers, of any portion thereof that is Funded Property;"

To amend the first six lines of subdivision (4) of Section 59 of the Mortgage to read as follows:

"(4) an amount in cash, to be held by the Corporate Trustee as part of the Mortgaged and Pledged Property, equivalent to the amount, if any, by which the Cost (or as to Property Additions constituting Funded Property of which the fair value to the Company at the time the same became Funded Property was less than the Cost, then such fair value in lieu of Cost) of the property to be released, as specified in the Engineer's Certificate provided for in subdivision (3) above, exceeds the aggregate of the following items:"

To amend Section 60 of the Mortgage by inserting "(I)" before the word "Unless" in the first line thereof, and by adding the following Subsection (II) after Section 60 (I).

"(II) Unless the Company is in default in the payment of the interest on any bonds then Outstanding hereunder or one or more of the Defaults defined in Section 65 hereof shall have occurred and be continuing, the Company may obtain the release of any of the Mortgaged and Pledged Property which is not Funded Property, except cash then held by the Corporate Trustee (provided, however, that Qualified Lien Bonds deposited with the Corporate Trustee shall not be released except as provided in Article IX hereof and obligations secured by purchase money mortgage deposited with the Corporate Trustee shall not be released except as provided in Section 61 hereof), and the Trustees or the Corporate Trustee shall release all the right, title and interest of the Trustees in and to the same from the Lien hereof upon the application of the Company and receipt by the Corporate Trustee of the following (in lieu of complying with the requirements of Section 59 hereof):

(1) an Officers' Certificate complying with the requirements of Section 121 hereof and describing in reasonable detail the property to be released and requesting such release, and stating:

(a) that the Company is not in default in the payment of interest on any bonds then outstanding hereunder and that none of the Defaults defined in Section 65 hereof has occurred and is continuing;

(b) that the Company has sold, leased, granted an interest in property, exchanged, dedicated or disposed of, or intends or has agreed to sell, lease, grant an interest in property, exchange, dedicate or dispose of, or that a governmental body or agency has exercised a right to order the Company to divest itself of, the property to be released;

(c) that the property to be released is not Funded Property;

(d) that (except in any case where a governmental body or agency has exercised a right to order the Company to divest itself of such property) such release is in the opinion of the signers desirable in the conduct of the business of the Company; and

(e) the amount of cash and/or principal amount of obligations secured by purchase money mortgage received or to be received for any portion of said property sold to any Federal, State, County, Municipal or other governmental bodies or agencies or public or semi-public corporations, districts, or authorities;

(2) an Engineer's Certificate, complying with the requirements of Section 121 hereof, made and dated not more than ninety (90) days prior to the date of such application, stating:

(a) the fair value, in the opinion of the signers, of the property (or securities) to be released;

(b) that in the opinion of the signers such release will not impair the security under this Indenture in contravention of the provisions hereof; and

(c) that the Company has Property Additions constituting property which is

not Funded Property (not including the Property Additions then being released) of a Cost or fair value to the Company (whichever is less) of not less than one dollar (\$1) (after making any deductions and any additions pursuant to the provisions of Section 4 hereof) and after deducting the Cost of the property then being released;

(3) an Opinion of Counsel complying with the requirements of Section 121 hereof and stating that all conditions precedent provided for in this Indenture relating to the release of the property in question have been complied with; and

(4) in case the Trustees or the Corporate Trustee shall be requested to release any franchise, an Opinion of Counsel complying with the requirements of Section 121 hereof and stating that in his or their opinion such release will not impair to any material extent the right of the Company to operate any of its remaining properties."

To amend the fourth paragraph of Section 3 of the Mortgage to read as follows:

"The term "Engineer's Certificate" shall mean a certificate signed by the President or a Vice-President of the Company and by an Engineer (who may be an employee of the Company) appointed by the Board of Directors of the Company, provided, however, if any property or securities are to be released from the Lien of this Indenture, the Engineer's Certificate as to the fair value of such property or securities and as to matters referred to in clause (f) of subdivision (3) of Section 59 hereof or in clause (b) of subdivision (2) of Section 60 (II) hereof shall be made by an independent Engineer, appraiser, or other expert, if the fair value of such property or securities and of all other property or securities released since the commencement of the then current calendar year, as set forth in the certificates required by this Indenture, is ten per centum (10%) or more of the aggregate principal amount of the bonds at the time outstanding; but such a certificate of an independent Engineer, appraiser, or other expert shall not be required in the case of any release of property or securities, if the fair value thereof as set forth in the certificates required by this Indenture is less than Twenty-five

Thousand Dollars (\$25,000) or less than one per centum (1%) of the aggregate principal amount of the bonds at the time Outstanding. If and to the extent required by the provisions of Section 121 hereof, each such certificate shall include the statements provided for in said Section."

SECTION 2.04. Subject to the amendments provided for in this Eighteenth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Eighteenth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 2.05. 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 Eighteenth 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 Eighteenth 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 Eighteenth Supplemental Indenture.

SECTION 2.06. Whenever in this Eighteenth 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 Eighteenth 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 2.07. Nothing in this Eighteenth 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 Eighteenth Supplemental Indenture or any

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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 Eighteenth 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 2.08. This Eighteenth 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 28th day of June, 1990, as of July 1, 1990, 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 on the 29th day of June, 1990, as of July 1, 1990, in The City of New York; and Stanley Burg, one of the parties hereto of the second part, has hereunto set his hand and affixed his seal, in The City of New York, on the 2nd day of July, 1990, as of July 1, 1990.

NORTHWEST NATURAL GAS COMPANY

By *Priscilla D. Ball*
Senior Vice President and
Chief Financial Officer

Attest:

C. J. Rine
Secretary

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

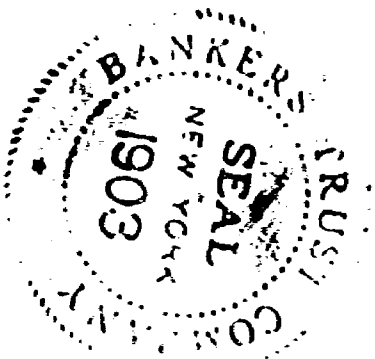
Steven M. Jordan

Sharon A. Khoury



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BANKERS TRUST COMPANY, as Trustee,

By *Paul A. Jones*
Vice President

Attest:

Paul A. Jones
Assistant Secretary

Stanley Burg
STANLEY BURG, as Trustee

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

John M. Stuart

Luna Lin

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STATE OF OREGON)
 : ss.:
COUNTY OF MULTNOMAH)

June 28, A.D. 1990.

Before me personally appeared BRUCE R. DEBOLT, who, being duly sworn, did say that he is Senior Vice President and Chief Financial Officer, 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 28th day of June, 1990, before me personally appeared BRUCE R. DEBOLT, to me known to be Senior Vice President and Chief Financial Officer 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.

Virginia M. Vance

VIRGINIA M. VANCE
Notary Public, State of Oregon
My Commission Expires March 24, 1991



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

June 29, A.D. 1990.

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 29th day of June, 1990, 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.

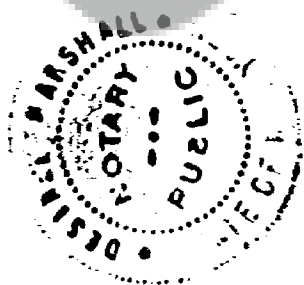
Desiree Marshall
DESIREE MARSHALL

Notary Public, State of New York

No. 24-4885294

Commission Expires February 17, 1991

DESIREE MARSHALL
Notary Public, State of New York
No. 24-4885294
Qualified in Kings County
Certificate filed in New York County
Commission Expires February 17, 1991




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

July 2, A.D. 1990.

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 2nd
day of July, 1990.


LIZBETH PARKER
Notary Public, State of New York
No. 31-4959621
Commission Expires December 4, 1991

LIZBETH PARKER
NOTARY PUBLIC, State of New York
No. 31-4959621
Qualified in New York County
Commission Expires December 4, 1991

