

to bear interest at the rate of 6% per annum payable on the 15th day of January and July of each year; and

WHEREAS said promissory notes may in certain cases be prepaid, in whole or in part, upon prepayment of the principal amount so to be prepaid and interest accrued thereon and a premium of not to exceed 6% of the principal amount so prepaid and may be declared due and payable prior to the final maturity date upon the happening of certain events of default;

NOW, THEREFORE, to secure the full and final payment of the sum of \$ 133,000.00, and interest and premium, if any, thereon in connection with the first note above described; and also to secure the full and final payment of any and all future advances (up to a total loan under this mortgage of \$160,000.00) which the mortgagee may be obligated to make in accordance with the Third Note Purchase Agreement hereinabove referred to, and in consideration of the payment to the mortgagor by the mortgagee of \$1.00 and other good and valuable consideration, receipt of which is hereby acknowledged, the mortgagor hereby grants, bargains, sells, conveys and mortgages to the mortgagee, its successors and assigns, forever, all of the following described properties:

1. The natural gas transmission or distribution system in and about the Town of Stevenson, Washington, including all odorizer stations, regulator stations, transmission and distribution mains, lines, services, valves, regulators, meters and other property and equipment constituting a part of or used in connection with said transmission or