

either such case the contract in question by its terms is to continue in force, or at the election of the Company may be continued in force, either for a fixed period of at least two years or for an indefinite or indeterminate period measured by the life of a well or wells."

SECTION 2. Granting Clause Fourth of the Mortgage is hereby modified to read as follows:

"CONTRACTS FOR THE SALE OF GAS

"All the right, title and interest of the Company under, in and to (1) the contracts for the sale of gas by the Company specifically assigned to and pledged with the Trustees prior to the execution and delivery of the Thirty-ninth Supplemental Indenture (other than those which at the date of the execution and delivery of the Thirty-ninth Supplemental Indenture have expired or have been replaced by other contracts or agreements as permitted by this Indenture); and (2) every other contract entered into by the Company before or after the date of execution and delivery of the Thirty-ninth Supplemental Indenture (other than contracts with a subsidiary) for the sale of gas by the Company under which the Company during any period of twelve consecutive calendar months has or shall have sold gas for an aggregate gross price of more than \$1,000,000."

SECTION 3. Section 1.02 of the Mortgage is hereby modified by changing the words "Pacific Northwest Realty Company", appearing in clause (a) of the second sentence of the definition of "subsidiary" in the third paragraph of said Section, to "Pacific Northwest Realty Corporation".

SECTION 4. Section 1.09 of the Mortgage is hereby modified

(a) by changing subdivision (vii) of the first paragraph of said Section to read as follows:

"(vii) any property (other than gas production property) of the character described in the foregoing subdivisions (iv), (v) and (vi) located on, in or under lands held by the Company under leases of private property expiring (or renewable at the option of the Company for terms expiring) not earlier than the maturity of the latest maturing bonds at the time issued