

REAL ESTATE MORTGAGE
AND
SECURITY AGREEMENT

A. BROWN & THAYER
ATTORNEYS
502 BROWN BUILDING
SEACAM, WASHINGTON 99201

THIS INDENTURE Made and entered into this 17 day of SEPTEMBER, 1970, by and between COLUMBIA GAS COMPANY, a Washington corporation, herein-after called COLUMBIA, mortgagor and debtor, and NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY, a Minnesota corporation, herei after called NORTHWESTERN, mortgagee and secured party;

WITNESSETH THAT,

WHEREAS NORTHWESTERN has entered into "Secured Note Purchase Agreement" with COLUMBIA, dated AUGUST 3 1970, whereby NORTHWESTERN has agreed to purchase on or before OCTOBER 15, 1970, from COLUMBIA subject to the terms and conditions specified in said "Secured Note Purchase Agreement," a promissory note of COLUMBIA in the principal amount of \$350,200.00; and

WHEREAS COLUMBIA has determined to issue and sell to NORTHWESTERN its promissory note in the principal amount of \$350,200.00 to be due in ten (10) equal annual installments of principal commencing on the anniversary date of the said note in 1973, with the final installment of principal due on the anniversary date of the note in 1982, bearing interest at the rate of NINE AND ONE-HALF PERCENT (9½%) per annum, with interest payable semi-annually thereon; and

NOW, THEREFORE, to secure the full and complete payment of the sum of \$350,200.00, and interest thereon, in the note hereinabove first described, and in consideration of the payment to COLUMBIA by NORTHWESTERN of \$1.00 and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, COLUMBIA hereby grants, bargains, sells, conveys, mortgages and grants a security interest unto NORTHWESTERN, its successors and assigns, forever, the following described properties:

1. That natural gas transmission and distribution system located in those cities and counties, State of Washington, as described in Appendices 1 through 6, both inclusive, attached hereto, by reference made a part hereof, and incorporated herein, as though the same were, at this point, set forth at length, including but not limited to 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 distribution system, and including, without limiting the generality of the foregoing, all gas lines or mains connecting the gas distribution system in or in and about those cities or towns described in Appendices 1 through 6, earlier referred to, together with the gas pipe line from or to, and all valves, regulators, meters, or other property or equipment constituting a part of or used in connection with obtaining gas from or under that service agreement referred to in greater detail in paragraph 4 of this instrument.

That real estate located in Skamania and Klickitat Counties, State of Washington, described in Appendices 7 and 8 attached hereto.

2. Also all gas utility properties, plants, systems and equipment now owned or hereafter acquired by COLUMBIA, (together with all franchises, permits, easements, rights-of-way, certificates of convenience and necessity, railway and highway crossing rights and agreements, and all other privileges, immunities and licenses of whatever nature now owned or hereafter acquired by COLUMBIA for the

operation of such gas utility properties); and all other property, real, personal and mixed (except as herein expressly excepted) of every kind and nature in those counties in which those said cities or towns, referred to in Appendices 1 through 6, are located, now or hereafter possessed by or belonging to COLUMBIA, or to which it is now, or may at any time hereafter be, in any manner entitled by law or in equity.

3. Without in any way limiting the generality of any of the foregoing, this security agreement covers all gas lines, mains, laterals, service lines, valves, regulators, meters and other property or equipment constituting a part of the natural gas transmission or distribution system in and in or about those cities or towns described in Appendices 1 through 6 and which may be on or under the real estate likewise described in Appendices 1 through 6 attached hereto, by reference made a part hereof, and incorporated herein as though the same were at this point set forth at length; and in, on or under any and all streets and alleys in and about the said city named in Appendices 1 through 6, located within the areas described in said Appendices, and the connecting pipeline connecting the natural gas distribution system in and about the said cities or towns described in Appendices 1 through 6 with the lateral or source line of the party to the service agreement described in detail in paragraph 4 hereof.

4. That certain service contract described in Appendix 9 attached hereto, by reference made a part hereof, and incorporated herein as though the same were at this point set forth at length, together with any extensions, renewals or modifications thereof hereinafter entered into or implemented by any cognizant authority.

5. All and singular the franchises, grants, permits, immunities, privileges and rights of COLUMBIA owned and held by it at the date hereof or hereafter acquired for the construction, maintenance, and operation of the gas utility system or systems now or hereafter subject to the lien hereof, as well as all certificates, franchises, grants, permits, immunities, privileges and rights of the COLUMBIA used or useful in the operations of the properties now or hereafter mortgaged hereunder, including, but not limited to, the franchises to construct, maintain and operate a natural gas utility system within the corporate limits of those cities described in Appendices 1 through 6 attached hereto, and the franchises granted by the Boards of County Commissioners of the counties in which the said cities or towns described in Appendices 1 through 6 are located, authorizing the construction and maintenance of a pipe line.

Together with all and singular the tenements, hereditaments and appurtenances belonging to or in anywise appertaining to the above described properties, or any part thereof, with the reversion and reversions, remainder and remainders, rents, issues, income and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law or in equity, which the COLUMBIA now has or which it may hereafter acquire in and to said properties and every part and parcel thereof.

Expressly excepting and excluding, however, from this Real Estate Mortgage and Security Agreement and from the lien and operation hereof the following:

(a) All bills, notes and accounts receivable, cash on hand or in bank, and policies of insurance on lives of employees of COLUMBIA and all contracts other than contracts herein expressly mortgaged;

(b) All shares of stock and other certificates or evidences of interest therein and all bonds, notes or evidences of interest therein and other securities now owned or hereafter acquired and not expressly mortgaged or pledged;

(c) All gas, merchandise and appliances acquired for the purpose of resale in the ordinary course of business and all gas, materials and supplies held for consumption in operation or held in advance of use thereof for fixed capital purposes;

To have and to hold the properties hereby mortgaged unto NORTHWESTERN and its successors and assigns forever;

And COLUMBIA for itself, its successors and assigns, hereby covenants with NORTHWESTERN, its successors and assigns, as follows:

That is is lawfully seized of said premises and has good right to sell and convey the same, that the same are free from all encumbrances, that NORTHWESTERN, its successors and assigns, shall quietly enjoy and possess the same and that COLUMBIA will warrant and defend the title to the same against all claims not hereinbefore expressly excepted;

Provided, nevertheless, that if COLUMBIA, its successors or assigns, shall well and truly pay or cause to be paid the principal sum, interest on and premium, if any, in connection with the promissory note referred to in the aforesaid "Secured Note Purchase Agreement," when the same shall become due, whether at the stated maturity thereof, by declaration, or otherwise, and shall keep and perform all and singular the covenants herein contained on the part of COLUMBIA to be kept and performed, then this mortgage shall be null and void; otherwise to be and remain in full force and effect.

And COLUMBIA for itself, its successors and assigns, further covenants and agrees with NORTHWESTERN, its successors and assigns, to pay the installments, interest on and premium if any, in connection with the notes above referred to, and covenants and agrees to keep and perform each and all of the covenants and agreements contained in the hereinabove referred to "Secured Note Purchase Agreement" on its part to be kept and performed.

In case of default in any of the foregoing covenants, COLUMBIA confers upon NORTHWESTERN, its successors and assigns, the option of declaring the unpaid balance of the principal of said notes, and interest accrued thereon, immediately due and payable, without notice, and hereby authorizes and empowers said NORTHWESTERN, its successors and assigns, to foreclose this mortgage by judicial procedure or to sell the mortgaged properties at public auction and convey the same to the purchaser in fee simple, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and reasonable attorney's fees in connection therewith, which costs, charges and fees COLUMBIA hereby agrees to pay.

Throughout the within instrument the denomination, COLUMBIA, wherever the same shall appear, shall refer to COLUMBIA as a mortgagor or as a debtor as the context shall require; and the denomination, NORTHWESTERN, shall refer to NORTHWESTERN as a mortgagee or secured party, as the context shall require.

It is the understanding and intention of the parties that this instrument may be executed in duplicate original counterparts; that the different original counterparts may be recorded in those different counties; and that the duplicate original counterparts, together with the attached appendices, shall, however, be deemed, together, a single instrument covering those properties and service agreements set forth

in the different appendices in the duplicate original counterparts.

IN TESTIMONY WHEREOF COLUMBIA has caused these presents to be executed in its corporate name by its officers duly and regularly authorized, and its corporate seal to be hereto affixed the day and year first above written.

COLUMBIA GAS COMPANY

By: E. J. Lacey
President

ATTEST:

E. J. Lacey
Secretary

STATE OF MONTANA)
: SS.
COUNTY OF CASCADE)

On this 17 day of SEPTEMBER, 1971, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared DEL Lacey known to me as President of the corporation that executed the foregoing instrument and acknowledged to me that he executed the same on behalf of said corporation.

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

[Signature]
Notary Public for the State of Montana
Residing at [Address]
My commission expires [Date]



APPENDIX 1

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property in Klickitat County, State of Washington:

Main service area--All of Secs. 16, 17, 20 and 21 in
T. 4 N. R. 16 E, W.M., including the City of Goldendale,
Klickitat County, Washington.

Transmission line area. City gate to south boundary of main
service area--a strip of land 300 feet in width, being 150 feet
on each side of a line described as follows: Commencing at the
southeast corner of the west half of SEC. 21, T. 4 N., R. 16
E. W.M.; thence directly south to the Pacific Northwest
Pipeline Corporation's 26-inch main pipeline, which is approximately
3,400 feet south of the north line of SEC. 4, T. 3 N., R. 16
E., W.M., all in the County of Klickitat County, State of Washington.

APPENDIX 2

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property in Skamania County, Washington

Secs. 35 and 36, T. 3 N., R. 7 E., W.M.; Secs. 1 and 2, and all
Secs. 11 and 12 lying within the County of Skamania, in T. 2 N.,
R. 7 E., W.M.; and that portion of SEC. 36, T. 3 N., R. 7-1/2
E., W.M.; lying within Skamania County and south of the north line
of Sec. 36, T. 3 N., R. 7 E., W.M.; extended eastward, all beginning
in Skamania County, Washington.

APPENDIX 3

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANYProperty in Adams County

All of the incorporated city of Ritzville and additional portions of Adams County lying within the area described as follows:

Beginning at the northwest corner of Sec. 15, T. 19 N. R. 35 E. W. M.; thence east along section lines to the northeast corner of Sec. 13; thence south along the east line of Sec. 13 to its southeast corner; thence east along the north lines of Secs. 19, 20, 21 and the west 4,082 feet of the north line of Sec. 22, T. 19 N., R. 36 E.; thence south to the south line of said Sec. 22; thence west along the west 4,082 feet of the south line of said Sec. 22, and the south lines of Secs. 21, 20, and 19, T. 19 N., R. 36 E. to the southwest corner of Sec. 19; thence south along the east line of Sec. 25, T. 19 N., R. 35 E., to its southeast corner; thence west along section lines to the southwest corner of Sec. 27; thence north along section lines to the northwest corner of Sec. 15, T. 19 N. R. 35 E. the point of beginning.

APPENDIX 4

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANYProperty in Whitman County

Beginning at the northeast corner of Sec. 31, T. 17 N. R. 41 E. W.M., in the County of Whitman, State of Washington, running thence east on the north line of Sec. 32, T. 17 N. R. 41 E. W. M. a distance of 700 feet; thence south on a line parallel with the west line of said Sec. 32 a distance of 3,000 feet; thence west on a line parallel with the north line of said Sec. 31 a distance of 3,200 feet; thence north on a line parallel with the east line of said Sec. 31 a distance of 4,000 feet; thence east on a line parallel with the south line of Sec. 30, T. 17 N. R. 41 E. W.M. a distance of 1,425 feet; thence northeasterly to the right-of-way of the Pacific Northwest Pipeline Corporation's Lewiston lateral, such point is 825 feet west of the east line of Sec. 30, T. 17 N., R. 41 E, W.M.; thence east on a line parallel with the south line of said Sec. 30 a distance of 300 feet; thence southwesterly to a point 1,475 feet west of the east line and 1,000 feet north of the south line of said Sec. 30; thence east on a line parallel with the south line of said Sec. 30 to a point of intersection with the east line of Sec. 30; thence south on the east line of said Sec. 30 to the point of beginning.

APPENDIX 5

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property in Grant County

All of the incorporated area comprising the Town of Warden and additional portion of Grant County, Washington, adjacent thereto lying within the area described as follows:

Sections 3 and 4 and Sections 7 to 30
inclusive, Township 17 North, Range 30
E. W.M., and Sections 21, 22, 27, 28, 33
and 34, Township 18 North, Range 30 E. W.M.,
in Grant County, Washington.

APPENDIX 6

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property in Franklin County

All of the incorporated Town of Connell and additional portions of Franklin County adjacent thereto lying within the area described as follows:

Beginning at the northwest corner of Sec. 24, T. 14 N., R. 31 E. W.M.; thence east along the north line of said Sec. 24 and along the north lines of Secs. 19, 20, 21, 22 and 23, T. 14 N. R. 32 E. to the northeast corner of Sec. 23; thence south along the east lines of Secs. 23, 26 and 35, T. 14 N., R. 32 E. and along the east line of Sec. 2, T. 13 N. R. 32 E., to the southeast corner of said Sec. 2; thence west along the south lines of Secs. 2, 3, 4, 5 and 6, T. 13 N., R. 32 E. and along the south lines of Secs. 1 and 2, T. 13 N., R. 31 E., to the southwest corner of said Sec. 2; thence north along the west line of Sec. 2, T. 13 N., R. 31 E. and the west line of Sec. 35, T. 14 N. R. 31 E. to the northwest corner of said Sec. 35; thence east along the north line of said Sec. 35 to its northeast corner; thence north along the west lines of Secs. 25 and 24, to the northwest corner of said Sec. 24, the point of beginning.

APPENDIX 7

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property owned in fee in in Klickitat County, State of Washington :

A tract of land in a portion of the SE $\frac{1}{4}$ of Section 4,
T. 3N., R. 16 E., W.M., Klickitat County, Washington,
being more particularly described as follows:

Beginning at the SE corner ($\frac{1}{2}$ " I.P.) of the herein described
tract of land, from which the NE corner of Section 4, T. 3 N.,
R. 16 E. W.M. Klickitat County, Washington, bears N. 36°26'15"
E-4139.13 Feet;

Thence, S 88°20' W.--50.00 feet to a $\frac{1}{2}$ " I.P. for a corner;

Thence, N 01°40' W.--25.00 feet to a $\frac{1}{2}$ " I.P. for a corner:

Thence, N 88°20' E.--50.00 feet to a $\frac{1}{2}$ " I.P. for a corner;

Thence, S 01°40' E.--25.00 feet to the point of beginning;

The herein described tract of land to contain 0.03 acres of
land, more or less.

APPENDIX 8

ATTACHMENT TO \$350,200.00 MORTGAGE, COLUMBIA GAS COMPANY
TO NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Property owned in fee in Skamania County, State of Washington:

A tract of land in a portion of the SE $\frac{1}{4}$ of Section 35, T. 3 N. R. 7 E. of the W.M., Skamania County, Washington, being more particularly described as follows:

Beginning at a point on the westerly right of way line of a county blacktop road (Red Bluff Road) from which the S $\frac{1}{4}$ corner (Brabs Cap) of Section 35, T. 3 N., R. 7 E. of the W.M., Skamania County, Washington bears S. 44°44'30" W. 417.18 feet;

Thence N. 69°08' 30" W. 42.70 feet to a point;

Thence, N. 38° 25' E.--52.49 feet to a point;

Thence S. 69° 08' 30" E.--26.88 feet to a point on said westerly right of way line of a county blacktop road;

Thence, along said westerly right of way line of a county blacktop road S 20° 51' 30" W.--50.00 feet to the point of beginning.

The herein described tract of land to contain 0.04 acres of land, more or less.