

located on or near the Willamette River and hereinbefore particularly described in items numbered from one (1) to twenty-one (21), both inclusive, and twenty-three (23), twenty-four (24), twenty-five (25), thirty-two (32), thirty-three (33) and thirty-four (34) of the description of the several properties transferred and conveyed by this Indenture, and also particularly the interest of the Mortgagor Company in that certain lease dated the twentieth day of March, 1902, executed between The Stephens Land Company and Fred S. Morris, of certain real property situate within the corporate limits of the City of Portland, being the real property described in a lease recorded in Book 289, page 190, Records of Deeds of Multnomah County, said lease having been assigned by said Fred S. Morris to The Oregon Water Power and Railway Company, said assignment being recorded in Book 328, page 443, Record of Deeds of Multnomah County, and by said The Oregon Water Power and Railway Company assigned to the Mortgagor Company by deed dated December 31, 1906, and also particularly the interest of the Mortgagor Company under a certain indenture or agreement dated the twenty-fourth day of February, 1904, executed between The Oregon Water Power and Railway Company and Portland General Electric Company, and by said The Oregon Water Power and Railway Company assigned to the Mortgagor Company by said deed dated December 31, 1906, but subject only as to the estates, properties and franchises other than the securities of other corporations aforesaid to the conditions and limitations in this section prescribed and not otherwise, to-wit:

(a) That no part of the mortgaged estates, properties and franchises other than such securities shall be released hereunder, unless at the time of such release it shall be no longer necessary or expedient to retain the same for use in the business of the Mortgagor company, and (b) That no part of the railroad, street railway, electric light or power lines or the rights of way shall be released if thereby the continuity of the lines of the Mortgagor Company shall be broken. No such release shall be made unless the Mortgagor Company shall have sold, or shall have contracted to exchange for other property, or to sell, the property so to be released. The proceeds of any and all such sales and of moneys received as compensation for any property subject to the lien of this Indenture taken by the exercise of the power of eminent domain shall be paid over to the Trustee and set apart and held in trust by it and appropriated only as hereinafter set forth, unless some other disposition of such proceeds be required by some prior mortgage or lien, in which case such proceeds may be disposed of in the manner provided in such prior mortgage or lien.

Any new property acquired by the Mortgagor Company to take the place of any property released hereunder shall ipso facto become and be subject to the lien of this Indenture as fully as if specifically mortgaged or pledged hereby; and if requested by the Trustee, the Mortgagor Company will convey the same to the Trustee, by appropriate deeds, upon the trusts and for the purposes of this Indenture.

Section 2. The Trustee, at the request of the Mortgagor Company, shall apply any moneys held by it under the provisions of this article in the same manner as provided in Article Three, Section 7 for funds received and held by the Trustee under the provisions of that Article, either for the purchase or redemption of bonds or to reimburse the Mortgagor Company for the actual cash cost of extensions, betterments and permanent improvements or the securities of other corporations as provided in said Section 7.

Section 3. The Mortgagor Company while in possession of the mortgaged estates, properties and franchises, other than securities of other corporations that may be pledged hereunder, shall also have full power, in its discretion, from time to time, to dispose of any portion of the machinery, equipment and implements at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit for use by the Mortgagor Company,