

be entitled to retain such dividends, as part of the principal of the trust estate and the dividends or interest which may be paid thereon shall be treated in the same way as dividends upon other stock held by the Trustee under the provisions of this Indenture. In case, however, all of the properties, franchises, rights, privileges and properties now owned or hereafter or thereafter acquired by the Portland Railway Company, and the earnings, rents, issues and profits thereof, or all the properties, franchises, rights and privileges now owned or hereafter or thereafter acquired by the Portland General Electric Company, and the rents, issues and profits thereof, shall be subjected to the lien of this mortgage, in such wise that this mortgage shall, subject only to the lien of the now existing mortgage or mortgages upon the properties, franchises, rights and privileges of such company constitute a valid first lien upon such properties, franchises, rights and privileges, and every part thereof, and on the rents, earnings, income and profits therefrom, for the benefit of the bondholders hereunder, then upon the due execution and delivery to the Trustee of additional or supplementary instrument or instruments particularly describing and validly and effectually so conveying to it said properties, franchises, rights and privileges, and also all properties, rights and interests which may be or thereafter become subject to the lien of the said existing mortgage or mortgages to be held subject to the terms hereof as security for the payment of the bonds hereby secured, the Trustee shall assign, transfer and deliver to the Company, free from the lien hereof, the stock, notes and evidences of indebtedness held by it hereunder of the company, of which the properties, franchises, rights and privileges and the earnings, rents, income and profits therefrom are so subjected to the lien of this mortgage, and the provisions of the fifth, ninth and twelfth paragraphs of Article Third hereof, in so far as they prohibit the creation or imposition of any security or charge upon the properties or franchises of such company, or the creation or entering into by it of any guaranty or any indebtedness, or require that additional shares of stock and notes or other evidences of indebtedness of such company shall be assigned and delivered to the Trustee, or prohibit the further issue or increase of the capital stock of such company, shall thereafter be without force and effect; provided; however, the Company is not in default in the performance of any of its covenants hereunder.

ARTICLE FIFTH,- Until the happening of one or more of the events of default hereinafter specified, the Trustee shall cause to be executed and delivered to the Company or its nominees suitable powers of attorney or proxies, to enable the Company to vote upon the shares of stock of the Portland General Electric Company and the Portland Railway Company which may be deposited with the Trustee hereunder, at all general or special meetings of the Respective stockholders of either company to the same extent and with the same effect as if this Indenture had not been executed; subject only to the provisions with respect to such voting hereinafter contained. In the event of such default, and during the continuance thereof, the Trustee may revoke any powers of attorney or proxies which it may have given to the Company or its nominees as above provided, and the voting power upon said stock may be exercised by means of suitable powers of attorney or proxies, which shall be given or procured by the Trustee and delivered to such person or persons as may be designated or appointed by a majority in interest of the holders of the bonds issued hereunder, then outstanding, by an instrument in writing duly signed by such holders or their authorized agents, which instrument shall state the place of residence of each holder, and the serial numbers and amount of bonds held by such holder, accompanied by an affidavit of the holder or agent to the effect that he or she is the holder or the agent of the holder of the bonds for which he or she signs; provided, however, that until said majority of the bondholders shall make such designation or appointment, the Trustee may exercise the said voting power.