

and profits, privileges, and appurtenances now or hereafter belonging or in any wise appertaining thereto, unto the Trustee, its successors and assigns, forever.

But in trust, nevertheless, for the equal and proportionate benefit and security of all of the present and future holders of the First and Refunding Mortgage Five Per Cent. Sinking Fund Gold Bonds, both principal and interest, of the Portland Railway Company issued and to be issued under and secured by the First and Refunding Mortgage and Deed of Trust of the Portland Railway Company, dated November 1st, 1905, and this Indenture including as well and equally such of said bonds as have heretofore at any time been issued by the said Portland Railway Company and such of the same as may hereafter at any time be issued by the Mortgagor Company its successors or assigns in accordance with the terms of said First and Refunding Mortgage and Deed of Trust, dated November 1st, 1905, as aforesaid, and in accordance with the terms of said mortgage of the Portland Railway, Light and Power Company, dated September 1st, 1906; and for the enforcement of the payment of said bonds and the interest thereon when payable and the performance of and compliance with the covenants and conditions of said First and Refunding Mortgage and Deed of Trust, dated November 1st, 1905, and of this Indenture, without preference, priority or distinction as to lien or otherwise of any one of said bonds over any other by reason of priority in the time of the issue or negotiation thereof or otherwise, so that each and every bond shall have the same right, lien and privilege and so that the principal and interest of every such bond shall be equally and proportionately secured hereby as if all had been made, executed, delivered and negotiated simultaneously; it being intended that the lien and security of this Indenture shall take effect from the date of the execution and delivery hereof without regard to the time of the actual issue, sale or disposal of said bonds and as though upon said date all of said bonds had been actually issued, sold and delivered and were in the hands of innocent holders thereof for value;

The Mortgagor Company for itself and its successors and assigns does hereby covenant to and with the Trustee, its successors and assigns, and to and with the Trust Company of North America, party of the second part hereto, that it has complied with all the terms, provisions and requirements of its mortgage to The Trust Company of North America, dated September 1st, 1906, which secures the payment of its Five Per Cent General Sinking Fund Mortgage Bonds not to exceed in the aggregate fifteen million dollars (\$15,000,000.), and particularly with all the terms, provisions and requirements of Section 3 of Article One of said mortgage and further that there is no default by the Mortgagor Company in any of its covenants and agreements in said mortgage contained.

The Trust Company of North America, Trustee under the Mortgage or Deed of Trust of Portland Railway, Light and Power Company, dated September 1st, 1906, and recorded in the office of the Clerk of Multnomah County, State of Oregon, in Book 293, of Records of Mortgages of Real Property, page 291, joins herein as required by the terms and provisions of said Mortgage or Deed of Trust (pages 46 and 58), for the sole purpose of evidencing the fact that the lien of the aforesaid Mortgage or Deed of Trust, dated September 1st, 1906, is deferred to the lien of this supplemental mortgage to the extent set forth in paragraph 8 on page 45 of said Mortgage or Deed of Trust of September 1st, 1906, and to said extent only.

The Trust Company of North America, party of the second part herein, does not hereby assume or incur any of the liabilities of a grantor, mortgagor, obligor or guarantor in regard to this supplemental mortgage or to the bonds secured or to be secured hereby.

And it is understood, covenanted and agreed by and between the Mortgagor Company and the Trustee and by and between the Mortgagor Company and the respective holders from time to time of the First and Refunding Bonds of the Portland Railway Company issued and to be issued that the said bonds shall be held by their respective owners with a right to the benefit of said mortgaged premises, properties and franchises, and shall be held by the Trustee, its