

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 1, 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 for the sole purpose of evidencing the fact that the lien of the aforesaid mortgage or deed of trust, dated September 1, 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 1, 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.

It is expressly 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 Twenty-five Year Sinking Fund Gold Bonds of the Mortgagor Company, that the said bonds shall be held by their respective owners with a right to the benefit of, and said mortgaged premises, properties, franchises, rights, privileges and interests shall be held by the Trustee, its successors and assigns, subject to the following covenants, conditions, uses, trusts and purposes, namely:

ARTICLE FIRST

The Mortgagor Company hereby expressly covenants, undertakes and agrees that it will not issue or cause to be certified or issued any additional Portland Railway Company First and Refunding Mortgage Bonds which still remain unissued, but which according to the terms and provisions of the aforesaid mortgage which secures the payment of said bonds, the Mortgagor Company has the right to issue, except under and in accordance with the terms and provisions of said mortgage, and only to the amounts therein limited; nor, in case a supplemental mortgage is required in order to vest in and confirm to the proper Trustee any additional property, additions or extensions or permanent improvements, which form the basis for the issue of such additional bonds, unless The Trust Company of North America, Trustee, under the Five Per Cent, General Sinking Fund Mortgage of the Mortgagor Company, dated September 1, 1906, or its successor trustee, is made a party thereto and joins therein for the purpose of evidencing the fact that the lien of said mortgage of September 1, 1906, is deferred as therein provided; nor will it issue or cause to be issued any such additional bonds unless this mortgage shall be a lien on the additional property, additions, extensions or permanent improvements which form the basis for the issue thereof prior to all other liens thereon excepting only the liens of the mortgages and supplemental mortgages to which by the terms hereof the lien of this mortgage is expressly deferred.

ARTICLE SECOND

The Mortgagor Company further covenants and agrees that upon the execution and delivery of any supplemental mortgage or mortgages to the Trustee of the First and Refunding Mortgage of the Portland Railway Company conveying and transferring to such Trustee any extensions, betterments or additional property purchased or constructed by the Mortgagor Company, and used by it as the basis for the issue of reserved Portland Railway First and Refunding Mortgage Bonds, as provided in the mortgage or deed of trust securing the same, the Mortgagor Company will, on request of the Trustee, or its successors, execute and deliver and additional supple-