

Said supplemental mortgage shall cover and shall create and constitute a lien upon (a) all of the properties and franchises which are now owned and possessed by the Portland Railway Company and are to be transferred to and acquired by the Mortgagor Company as hereinbefore set forth, and also, (b) all of the real and personal property, rights, interests and franchises which may be or may hereafter become subject to the lien of the aforesaid First and Refunding Mortgage of the Portland Railway Company, dated November 1st, 1905, also (c) all betterments, additions to and improvements of the properties subject to the First and Refunding Mortgage of the Portland Railway Company, dated November 1st, 1905, which may be made by the Mortgagor Company and used by it as the basis for the issue of additional Portland Railway Company First and Refunding Bonds under the terms and provisions of Article One, section 2, paragraph (c) of said First and Refunding Mortgage, and also (d) all stocks and bonds of other corporations that may be actually acquired by the Mortgagor Company and deposited subject to the lien of said First and Refunding Mortgage and used as the basis for the issue of said additional First and Refunding Bonds under the terms and provisions of said Article One, section 2, paragraph (c) of said First and Refunding Mortgage, and also (e) any and all property purchased or constructed with the proceeds of the sale or other disposition of any property which, at the time of such sale or other disposition of any property which, at the time of such sale or other disposition is subject to the lien of said First and Refunding Mortgage of the Portland Railway Company and is sold or otherwise disposed of free and clear of the same; and said supplemental mortgage shall be in form satisfactory to The New York Trust Company, Trustee, under said First and Refunding Mortgage, and shall conform in all respects to the terms and provisions of said First and Refunding Mortgage.

5. That the Mortgagor Company further proposes, after the two supplemental mortgages referred to in paragraphs 3 and 4 above shall have been executed, acknowledged, delivered and recorded, to execute and deliver another supplemental mortgage, in favor of The Trust Company of America, in order to further secure the payment of the three million dollars (\$3,000,000) of Twenty-five Year Sinking Fund Gold Bonds heretofore issued by the Mortgagor Company and secured by its mortgage to The Trust Company of America dated July 2, 1906, which pledges stock of the Portland General Electric Company and stock of the Portland Railway Company as security for the payment of said bonds and which contemplates that the Mortgagor Company shall acquire the properties and franchises of the Portland General Electric Company and the Portland Railway Company and substitute said properties and franchises for said stock as security for said bonds. The new supplemental mortgage to be executed by the Mortgagor Company as additional security for said three million dollars (\$3,000,000) of bonds shall conform in all respects to the requirements of its mortgage of July 2, 1906, which now secures the payment of said bonds. It shall as therein provided create and constitute a lien upon (a) the properties and franchises which are now owned and possessed by the Portland General Electric Company and the Portland Railway Company respectively and are to be transferred to and acquired by the Mortgagor Company as hereinbefore set forth, and also (b) upon all properties, rights and interests which may be or may hereafter become subject to the lien of any mortgage upon the properties, franchises, rights and privileges, or any of them, either of the Portland General Electric Company or the Portland Railway Company, which existed on the second day of July, 1906 (the date of the mortgage which secures the payment of said three million dollars (\$3,000,000) of Twenty-five Year Sinking Fund Gold Bonds of the Mortgagor Company) including the aforesaid Portland General Electric Company first mortgage of July 1st, 1905, and the following mortgages covering the whole or parts of the properties and franchises of the Portland Railway Company, to wit:

- (1) The First Mortgage of the Willamette Bridge Railway Company to The American Loan and