

acquired as above provided from the Portland General Electric Company, or the Portland Railway Company, or such other company as is mentioned in paragraph 6 above, and (b) upon such extensions, betterments and additional property as may be purchased or constructed by the Mortgagor Company and used by it as the basis for the issue of reserved bonds of any one of said companies, and (c) upon all replacements, repairs, reconstructions and renewals, additions, betterments and improvements, when made, purchased or constructed by the Mortgagor Company in accordance with the requirements of any mortgage, the lien of which is superior to the lien of this Indenture; and also (d) upon 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, was subject to such superior lien and was sold or otherwise disposed of free and clear of the same. The Trustee hereunder shall join in said supplemental and additional mortgages upon receipt of the resolutions, affidavits and papers required by Section 3 of Article One of this Indenture, solely, however, in order to evidence the fact that the lien of this mortgage is deferred as herein provided, and by so joining, said Trustee shall not assume or incur any of the liabilities of a grantor, mortgagor, obligor, surety or guarantor in relation to any of said supplemental and additional mortgages or to the bonds thereby secured or to be secured. TO HAVE AND TO HOLD, the estates, properties and franchises hereby conveyed and assigned or intended so to be, unto the Trustee and its successors and assigns, forever; UNDER AND SUBJECT, HOWEVER, to the prior liens of the following two mortgages only upon the estates, properties and franchises now owned and possessed by the Mortgagor Company, or upon the parts thereof covered by such mortgages respectively, to-wit:-

(a) The mortgage of the Portland City and Oregon Railway Company, a predecessor of the Mortgagor Company, to the North American Trust Company, Trustee, dated February 15th, 1901, to secure an issue of five hundred thousand dollars (\$500,000) of Portland City and Oregon Railway Company bonds hereinafter particularly referred to; and

(b) The mortgage of the Oregon Water Power and Railway Company, another predecessor of the Mortgagor Company, to The Land Title and Trust Company, of Philadelphia, Trustee, hereinafter particularly referred to, dated July 1st, 1902, to secure an authorized issue of five million dollars (\$5,000,000) of Oregon Water Power and Railway Company bonds, of which three million nine hundred and forty-one thousand dollars (\$3,941,000) of bonds have been heretofore issued and are now outstanding and five hundred thousand dollars (\$500,000) additional of said bonds are held as set forth in said mortgage to retire the aforesaid five hundred thousand dollars (\$500,000) of Portland City and Oregon Railway Company bonds, and which said Oregon Water, Power and Railway Company mortgage has been closed and no further bonds in excess of said four million four hundred and forty-one thousand dollars (\$4,441,000) of bonds can be hereafter certified or issued. And Under And Subject Further to the prior liens of the following mortgages, in so far only as they are or may become liens respectively (1) upon the properties and franchises to be acquired as above provided from the Portland General Electric Company, or the Portland Railway Company, or such other company as is mentioned in paragraph 6 above, and (2) upon such extensions, betterments and additional property as may be purchased or constructed by the Mortgagor Company and used by it as the basis for the issue of reserved bonds of any one of said companies; (3) upon all replacements repairs, reconstructions, and renewals, additions, betterments and improvements when made, purchased or constructed by the Mortgagor Company in compliance with the requirements of any mortgage, the lien of which is superior to the lien of this Indenture; and also (4) upon 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 was subject to