

eight hundred and seventy-five thousand dollars (\$7,875,000) of said bonds of one thousand dollars (\$1,000) each shall be authenticated and delivered by the Trustee from time to time when and as the President or Vice-President of the Mortgagor Company shall direct in writing in exchange for or after the payment or cancellation of any of the following described bonds on the terms hereinafter stated, to-wit: Three million dollars (\$3,000,000) of Twenty-five Year Sinking Fund Gold Bonds of Portland Railway, Light and Power Company, secured by a mortgage or deed of trust to The Trust Company of America, Trustee, dated July 2nd, 1906, which said issue of bonds is hereinbefore referred to. For every one thousand dollars (\$1,000) of such Portland Railway, Light and Power Company bonds paid or cancelled from time to time One thousand dollars (\$1,000) of the bonds secured by this Indenture shall be authenticated and delivered by the Trustee. Five hundred thousand dollars (\$500,000) of the First Mortgage Twenty Year Gold Bonds of the Portland City and Oregon Railway Company secured by a mortgage to the North American Trust Company, Trustee, dated February 15th, 1901, and recorded in the office of the County Clerk of Multnomah County, Oregon, on page 64, book 203, Records of Mortgages of said County, and also indexed in Chattel Mortgages. For every one thousand dollars (\$1,000) of such Portland City and Oregon Railway Company bonds paid or cancelled from time to time, eleven hundred dollars (\$1,100) of the bonds secured by this Indenture shall be authenticated and delivered by the Trustee. Three million nine hundred and thirty-one thousand dollars (\$3,931,000) of the Thirty Year Six Per Cent. Gold Bonds of The Oregon Water Power and Railway Company, secured by a mortgage to The Land Title and Trust Company, Trustee, dated July 1st, 1902, and recorded in the office of the County Clerk of Multnomah County, Oregon, on page 36, Book 216, Records of Mortgages of said County, and also indexed in Chattel Mortgages, and in the office of the County Recorder of Clackamas County, Oregon, on page 114, Book 3, Records of Mortgages of said County, and also indexed in Chattel Mortgages. For every one thousand dollars (\$1,000) of such Oregon Water Power and Railway Company bonds paid or cancelled from time to time eleven hundred dollars (\$1,100) of First Mortgage Bonds shall be authenticated and delivered by the Trustee.

Any of said seven million eight hundred and seventy-five thousand dollars (\$7,875,000) of bonds secured hereby that may not be certified and issued under the provisions hereof in exchange for or after the payment or cancellation of bonds as provided above, shall be added to the five million one hundred and twenty-five thousand dollars (\$5,125,000) of bonds to be issued to reimburse the Mortgagor Company for the actual cash cost of extensions, betterments and permanent improvements or of stocks, bonds and other obligations (hereinafter called securities) of other corporations as provided in paragraph (d) of this section and shall be issued as therein provided.

The Trustee shall also at any time, not more than six months prior to the maturity of any of said underlying bonds, or in case the said bonds shall have been called for redemption pursuant to the terms of the respective mortgages securing the same, then within six months prior to the date so fixed for redemption, certify and deliver to the Mortgagor Company upon request, evidenced by resolution of its Board of Directors, certified by its Secretary or Assistant Secretary under its corporate seal, such an amount of the Bonds so reserved, as may be authenticated and delivered as aforesaid upon the payment or cancellation of the amount of the underlying bonds so to mature or called for redemption, if and when the Mortgagor Company, shall either (1) deposit with the Trustee an amount in cash equal to the principal and interest which will be payable upon such underlying bonds at the date of said maturity or payment, or (2) furnish to the Trustee evidence satisfactory to it that said amount has been deposited with the Trustee under the mortgage securing said bonds, to be