

applied in payment of the same at maturity or redemption day, or (3) deliver to the Trustee to be held by it subject to the trusts of this Indenture securities satisfactory to it for the payment by the Mortgagor Company of the underlying bonds so to mature or to be redeemed.

(d) Five million one hundred and twenty-five thousand dollars (\$5,125,000) face value of the bonds shall be authenticated and delivered by the Trustee from time to time to reimburse the Mortgagor Company for the actual cash cost of extensions, betterments and permanent improvements to the mortgaged estates and properties purchased or constructed and paid for after the date of this Indenture or of the securities of other corporations actually acquired and paid for by the Mortgagor Company after the date of this Indenture and deposited with the Trustee subject to the lien hereof, but only to an amount in face value of bonds secured hereby not to exceed eighty-five per cent. (85%) of such actual cost. The bonds reserved under this sub-division (d) shall be authenticated by the Trustee only upon delivery to it of the following, to wit:

First. In the case of bonds to reimburse the Mortgagor Company for eighty-five per cent (85%) of the actual cash cost of extensions, betterments and permanent improvements:

1. An affidavit of the President or a Vice President and the General Manager of the Mortgagor Company stating the general nature and character of the extensions, betterments and permanent improvements, classifying the same under appropriate headings, the actual cash cost thereof and that they have been purchased or constructed and paid for since the date of this Indenture, and also that the Mortgagor Company has not been reimbursed for any part of such actual cash cost either in bonds under this section or in cash under section 7 of Article Three or section 2 of Article Nine of this Indenture or in Portland General Electric Company First Mortgage Bonds or Portland Railway Company First and Refunding Mortgage Bonds issued or to be issued under the terms of the mortgages which secure the payment of said bonds respectively, or in any other bonds secured by a mortgage or mortgages upon such extensions, betterments or permanent improvements or upon any of the estates, properties and franchises mortgaged by this Indenture, and that no part of such extensions, betterments or permanent improvements has been particularly described in any supplemental mortgage in which the Trustee has joined under the provisions of Section 3 of this Article.

2. A certified copy of a resolution of the Board of Directors of the Mortgagor Company requesting the Trustee to certify and deliver the additional bonds to which the Mortgagor Company is then entitled under the provisions of this paragraph (d).

3. Any additional deeds or conveyances that may be necessary to subject to the lien of this Indenture any new property acquired by the Mortgagor Company and used by it as the basis for the issue of such reserved bonds.

Second. In the case of bonds to reimburse the Mortgagor Company to the extent of eighty-five per cent. (85%) of the actual cash cost of the securities of other corporations:

1. An affidavit of the President or a Vice-President and the General Manager of the Mortgagor Company stating that the Mortgagor Company has actually purchased and paid for the securities of other corporations, enumerating and describing them, the amount of the capital stock of such corporation or corporations outstanding, the amount thereof acquired by the Mortgagor Company, the actual cash cost of said securities then acquired and that the price has been actually paid and was not in excess of the fair value thereof; also that the Mortgagor Company has not been reimbursed for any part of such actual cash cost either in bonds under this section or in cash under section 7 of Article Three or section 2 of Article Nine of this Indenture or in any other bonds secured by a mortgage or mortgages upon such securities of other corporations or upon any of the estates, properties or franchises mortgaged by this Indenture.