

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 securities acquired in accordance with this paragraph (d) and for the cost of which reimbursement is so sought, the securities being either in negotiable form or registered in such name or names as the Trustee may require. In no event shall the bonds reserved hereunder be certified as herein provided to an amount in face value in excess of eighty-five per cent. (85%) of the actual cash cost of such extensions, betterments and permanent improvements or of such securities of other corporations so acquired by the Mortgagor Company;

Provided, however, that the Mortgagor Company reserves to itself the right, anything in this section or in this Indenture to the contrary notwithstanding, to have the Trustee from time to time certify and deliver to it any part of said five million one hundred and twenty-five thousand dollars (\$5,125,000) of bonds, not exceeding in amount at any one time two hundred and fifty thousand dollars (\$250,000) of bonds, reserved in this section to reimburse the Mortgagor Company for the actual cash cost of extensions, betterments and permanent improvements or of the securities of other corporations, upon payment to the Trustee of an amount of cash, eighty-five per cent. (85%) of which shall equal the amount of said reserved bonds to be certified and delivered as aforesaid; and upon the deposit of cash as aforesaid with the Trustee, the Trustee shall thereupon certify and deliver such bonds to the extent of eighty-five per cent. (85%) of the cash so deposited, and shall retain the cash and thereafter from time to time pay out the same to the Mortgagor Company to reimburse it for the actual cash cost of extensions, betterments and permanent improvements or of the securities of other corporations upon the delivery to the Trustee of the affidavits and resolutions, deeds, conveyances and securities as hereinbefore provided, the amount of the cash to be thus paid to equal the full amount of such actual cash cost as set forth in the affidavits and resolutions instead of eighty-five per cent. (85%) of such actual cash cost as hereinbefore provided.

Section 3. Upon the acquisition by the Mortgagor Company of the properties and franchises of the Portland General Electric Company or of the Portland Railway Company or of any such other company as is described in paragraph 6 on page 43 of this Indenture and the purchase or construction by the Mortgagor Company of extensions, betterments or permanent improvements to the properties so acquired, or any of them, the Mortgagor Company shall have the option of using such extensions, betterments and permanent improvements as the basis for the issue of additional bonds under this Indenture or of additional underlying bonds of the proper predecessor company; provided that additional bonds of the issue secured by this Indenture and additional bonds of the proper underlying series still remain unissued and available for the purpose; but such extensions, betterments and permanent improvements used as the basis for the issue of additional bonds of one series shall not be again used as the basis for the issue of additional bonds if another series. The Mortgagor Company expressly covenants and agrees that it will from time to time execute and deliver the supplemental mortgages mentioned and described in paragraphs 3 to 8 inclusive on pages 38 to 45 of this Indenture as in said paragraphs provided; and the Trustee herein does hereby expressly agree that in pursuance of the provisions of paragraph 8 on page 45 of this Indenture, it will join with the Mortgagor Company in any supplemental mortgages which the Mortgagor Company may execute and deliver under the provisions of paragraphs 3, 4, 5, 6 and 7, or either of them, on pages 36 to 44 inclusive of this Indenture, upon compliance by the Mortgagor Company with all of the terms, provisions and requirements of this section and of this Indenture and provided that there shall at the time be no default by the Mortgagor Company in any of its