

erection, so far as constructed or erected and paid for, shall be deemed extensions, enlargements and additions within the meaning of this article.

Such extensions, enlargements and additions shall, however, be limited to such as are useful, or an appropriate adjunct or protection, in the carrying out of the business of the Mortgagor Company in and about the City of Portland, Oregon, and the adjacent district tributary thereto.

Whenever under any franchise or municipal requirement or contract or otherwise any part of the expense of paving any street or highway is paid by the Mortgagor Company the pavement shall be considered an extension, enlargement and addition within the meaning of this Indenture excepting only where the work is done in pursuance of a covenant or requirement to keep any pavement in good order and repair of the property of the Mortgagor Company, or consists of relaying pavement previously laid by the Mortgagor Company.

Whenever old or worn out equipment or other property of the Mortgagor Company, or equipment of other property which in the opinion of the Board of Directors of the Mortgagor Company is unsuitable for its purposes, is replaced by new, the construction or purchase shall be considered an extension, enlargement and addition only to the extent that the cost thereof exceeds what would be the replacement cost of such replaced equipment or other property if new.

The words "estates, properties and franchises" as used in this Indenture shall be construed to mean all of the estates and properties, real, personal and mixed, of any and every kind and nature and all of the franchises, rights, privileges and immunities whether now owned or hereafter acquired, mortgaged by this Indenture or intended so to be; and the words "estates and properties" as used in this Indenture shall be construed to mean all of the estates and properties, real, personal and mixed of any and every kind and nature, whether now owned or hereafter acquired, mortgaged by this Indenture or intended so to be.

The words "securities of other corporations" as used in this Indenture shall be construed to mean the stocks, bonds and other obligations of other corporations.

Section 7. The Trustee shall assume no duty whatever with regard to the certification and delivery of any bonds under Section 4 of this Article, other than to obtain prior to such certification and delivery the appropriate statements, certificates, reports, affidavits, resolutions, securities of other corporations, opinions of counsel (and where required, the written consent of said firm of Lee, Higginson & Company as from time to time constituted), and neither the Trustee nor said firm of Lee, Higginson & Company shall in any event be held responsible or liable for any matter or thing arising in connection therewith, save for its own wilful fraud. The Trustee may, however, in its discretion, require other proof of the facts upon the existence of which the certification of bonds is conditioned as aforesaid. The Trustee shall not certify any bonds while the Mortgagor Company is, to the knowledge of the Trustee, in continuing default in respect to any covenant or agreement herein contained. The Trustee's acceptance of the trust or its certification of said bonds shall not be deemed or construed to be a representation by it of any of the recitals or statements of fact contained in this Indenture or in the bonds secured hereby.

Section 8. Until engraved bonds are ready for delivery the Mortgagor Company