

HEREUNDER, TO QUALIFY SUCH PERSONS TO ACT AS DIRECTORS OR IN ANY OTHER OFFICIAL RELATION TO ANY CORPORATION WHOSE STOCK IS PLEDGED HEREUNDER; PROVIDED, THAT, IN EVERY SUCH CASE, THE TRUSTEE SHALL MAKE SUCH ARRANGEMENTS AS IT SHALL DEEM PROPER OR NECESSARY FOR THE PROTECTION OF THE TRUSTS HEREBY CREATED IN RESPECT OF THE SHARES OF STOCK SO TRANSFERRED.

SECTION 63. THE TRUSTEE SHALL HOLD ANY UNDERLYING BONDS AT ANY TIME DELIVERED TO IT UNDER THE PROVISIONS OF SECTION 26 HEREOF, IN TRUST, AS ADDITIONAL SECURITY FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST OF THE BONDS SECURED BY THIS INDENTURE. SUCH UNDERLYING BONDS SO HELD BY THE TRUSTEE SHALL BE STAMPED SUBSTANTIALLY AS FOLLOWS: "NOT NEGOTIABLE; BUT HELD IN TRUST FOR THE PURPOSES EXPRESSED IN THE FIRST LIEN AND REFUNDING MORTGAGE, EXECUTED BY THE PORTLAND RAILWAY, LIGHT AND POWER COMPANY TO THE NATIONAL CITY BANK OF NEW YORK, AS TRUSTEE, DATED APRIL 30, 1921."

THE UNDERLYING BONDS SO HELD BY THE TRUSTEE HEREUNDER SHALL BE SUBJECT TO REDEMPTION, BUT NOT TO PURCHASE, THROUGH THE OPERATION OF THE SINKING FUND PROVISIONS OF THE UNDERLYING MORTGAGES SECURING THE SAME, RESPECTIVELY. UPON THE WRITTEN REQUEST OF THE COMPANY, SIGNED BY ITS PRESIDENT OR A VICE-PRESIDENT AND ITS SECRETARY OR AN ASSISTANT SECRETARY, ACCOMPANIED BY EVIDENCE SATISFACTORY TO THE TRUSTEE HEREUNDER OF THE GIVING OF NOTICE OF REDEMPTION OF ANY UNDERLYING BONDS, THE TRUSTEE SHALL, UPON THE PAYMENT TO IT OF THE REDEMPTION PRICE THEREOF, DELIVER TO THE TRUSTEE OF THE MORTGAGE SECURING THE SAME, THE UNDERLYING BONDS HELD BY IT HEREUNDER AND CALLED FOR REDEMPTION AND DESCRIBED IN THE SAID NOTICE.

ANY MONEYS RECEIVED BY THE TRUSTEE UPON THE REDEMPTION OF ANY UNDERLYING BONDS THROUGH THE OPERATION OF A SINKING FUND SHALL BE PAID INTO THE SINKING FUND PROVIDED IN ARTICLE SIXTH HEREOF, AND APPLIED AS THEREIN PROVIDED.

SECTION 64. WHENEVER ALL THE UNDERLYING BONDS OF A PARTICULAR ISSUE SHALL HAVE BEEN DELIVERED TO THE TRUSTEE, OR WHENEVER THE TRUSTEE UNDER THE MORTGAGE SECURING SUCH UNDERLYING BONDS SHALL CERTIFY TO THE TRUSTEE HEREUNDER THAT ALL THE BONDS OF SUCH ISSUE NOT SO DELIVERED HAVE BEEN RETIRED AND CANCELLED, OR THAT A SUM IN CASH SUFFICIENT TO PAY AND RETIRE THE SAME HAS BEEN DEPOSITED WITH THE TRUSTEE UNDER THE MORTGAGE SECURING SUCH UNDERLYING BONDS (WHICH CERTIFICATE SHALL BE IN FORM SATISFACTORY TO THE TRUSTEE), THEN, UPON THE WRITTEN ORDER OF THE COMPANY, SIGNED BY ITS PRESIDENT OR A VICE-PRESIDENT AND ITS SECRETARY OR AN ASSISTANT SECRETARY, THE TRUSTEE SHALL CANCEL OR CAUSE TO BE CANCELLED ALL SUCH UNDERLYING BONDS THEN HELD BY IT AND SHALL SURRENDER THE SAME TO OR UPON SUCH WRITTEN ORDER OF THE COMPANY; PROVIDED, THAT, IN CASE OF BONDS OTHER THAN JUNIOR UNDERLYING BONDS, THERE SHALL FIRST BE DELIVERED TO THE TRUSTEE AND PLEDGED HEREUNDER, JUNIOR UNDERLYING BONDS SECURED BY THE MORTGAGE WHICH IS JUNIOR IN LIEN TO THE MORTGAGE SECURING THE UNDERLYING BONDS SO CANCELLED AND SURRENDERED IN AGGREGATE PRINCIPAL AMOUNT AT LEAST EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT OF SUCH BONDS SO CANCELLED AND SURRENDERED.

WHENEVER ALL THE UNDERLYING BONDS OF ANY ISSUE SHALL HAVE BEEN RETIRED AND CANCELLED, OR WHENEVER THE TRUSTEE UNDER THE MORTGAGE SECURING THE SAME SHALL SO CERTIFY, THE COMPANY SHALL PROMPTLY PROCURE THE MORTGAGE SECURING THE SAME TO BE CANCELLED AND RELEASED AND DISCHARGED OF RECORD, AND, WITHIN NINETY DAYS THEREAFTER, SHALL FURNISH TO THE TRUSTEE EVIDENCE TO ITS SATISFACTION OF SUCH DISCHARGE.