

FIRST: THE BONDS OF SERIES C SHALL BE DESIGNATED AS "PORTLAND ELECTRIC POWER COMPANY FIRST LIEN AND REFUNDING MORTGAGE GOLD BONDS, SERIES C"; SHALL MATURE ON MAY 1 1951, AND SHALL BEAR INTEREST AT THE RATE OF FIVE AND ONE-HALF PER CENT. PER ANNUM, PAYABLE SEMI-ANNUALLY ON MAY 1 AND NOVEMBER 1 IN EACH YEAR. BOTH PRINCIPAL AND INTEREST OF THE BONDS OF THE SAID SERIES SHALL BE PAYABLE IN GOLD COIN OF THE UNITED STATES OF AMERICA OF OR EQUAL TO THE STANDARD OF WEIGHT AND FINENESS EXISTING MAY 1, 1926, AT THE PRINCIPAL OFFICE OF THE TRUSTEE IN THE BOROUGH OF MANHATTAN, CITY AND STATE OF NEW YORK, WITHOUT DEDUCTION FOR ANY TAXES, ASSESSMENTS OR OTHER GOVERNMENTAL CHARGES WHICH THE COMPANY OR THE TRUSTEE MAY BE PERMITTED OR REQUIRED TO PAY THEREON OR TO RETAIN OR DEDUCT THEREFROM UNDER ANY PRESENT OR FUTURE LAW, EXCEPT INHERITANCE TAXES, STATE INCOME TAXES AND SO MUCH OF ANY FEDERAL INCOME TAXES IN RESPECT TO INCOME DERIVED FROM SUCH INTEREST AS MAY EXCEED TWO PER CENT. THEREOF.

SECOND: DEFINITIVE BONDS OF SERIES C MAY BE ISSUED BOTH AS COUPON BONDS AND AS REGISTERED BONDS; AND THEY AND THE INTEREST COUPONS TO BE ATTACHED TO THE COUPON BONDS SHALL BE SUBSTANTIALLY IN THE FORMS HEREINBEFORE RECITED, RESPECTIVELY. COUPON BONDS OF THE SAID SERIES MAY BE ISSUED IN ONE OR MORE OF THE DENOMINATIONS OF \$100, \$500 AND \$1000, AT THE OPTION OF THE COMPANY, AND SHALL BE DATED MAY 1, 1926, IRRESPECTIVE OF THE DATE OF THE ACTUAL EXECUTION AND DELIVERY THEREOF. REGISTERED BONDS OF THE SAID SERIES MAY BE ISSUED IN ONE OR MORE OF THE DENOMINATIONS OF \$1000, \$5000 AND \$10,000.

THIRD: SUBJECT TO THE TERMS AND CONDITIONS HEREIN SET FORTH, THE COMPANY COVENANTS TO REIMBURSE, FROM TIME TO TIME, TO THE OWNER OF ANY BOND OR BONDS OF SERIES C (A), IF SUCH OWNER BE A RESIDENT OF THE COMMONWEALTH OF PENNSYLVANIA, THE AMOUNT OF ANY PERSONAL PROPERTY TAX IN THE SAID COMMONWEALTH WHICH MAY BE LEGALLY ASSESSED UPON SUCH BONDS, OR AGAINST SUCH OWNER BY REASON OF HIS OWNERSHIP THEREOF, AND PAID BY SUCH OWNER, NOT EXCEEDING FOUR MILLS ON EACH DOLLAR OF THE ASSESSED VALUE OF SUCH BONDS IN ANY YEAR, OR (B), IF SUCH OWNER BE A RESIDENT OF THE STATE OF CONNECTICUT, THE AMOUNT OF ANY PERSONAL PROPERTY TAX IN THE SAID STATE WHICH MAY BE LEGALLY ASSESSED UPON SUCH BONDS, OR AGAINST SUCH OWNER BY REASON OF HIS OWNERSHIP THEREOF, AND PAID BY SUCH OWNER, NOT EXCEEDING FOURTENTHS OF ONE PER CENT. ON THE FACE AMOUNT OF SUCH BONDS IN ANY YEAR, OR (C) IN CASE SUCH RESIDENT OF THE STATE OF CONNECTICUT SHALL HAVE PAID THE TAX PERMITTED TO BE PAID FOR THE PURPOSE OF EXEMPTING BONDS FROM TAXATION IN THE SAID STATE FOR A PERIOD OF ONE YEAR OR MORE, AS NOW AUTHORIZED BY THE LAWS OF THE SAID STATE, A SUM NOT EXCEEDING, IN THE FIRST YEAR OF THE PERIOD FOR WHICH SUCH TAX WAS PAID, FOUR-TENTHS OF ONE PER CENT. ON THE FACE AMOUNT OF SUCH BONDS OWNED BY HIM AT THE TIME OF THE PAYMENT OF THE TAX, AND NOT EXCEEDING, IN ANY SUBSEQUENT YEAR DURING SUCH PERIOD, FOUR-TENTHS OF ONE PER CENT. ON THE FACE AMOUNT OF SUCH BONDS OWNED BY HIM ON THE ANNIVERSARY OF SUCH PAYMENT OCCURRING IN SUCH SUBSEQUENT YEAR.

REIMBURSEMENTS SHALL BE MADE, IN EACH CASE (OTHER THAN THAT OF THE REIMBURSEMENT OF A TAX PAID FOR THE PURPOSE OF EXEMPTING BONDS FROM TAXATION IN THE STATE OF CONNECTICUT), ONLY IF WRITTEN APPLICATION BE MADE TO THE COMPANY WITHIN SIXTY DAYS AFTER THE PAYMENT OF ANY SUCH TAX, AND, IN ANY EVENT, NOT LATER THAN ONE YEAR AFTER THE DATE UPON WHICH SUCH TAX BECAME DUE AND PAYABLE, WHICH APPLICATION SHALL SET FORTH THE OWNERSHIP OF THE BONDS BY THE APPLICANT, AND HIS RESIDENCE,