133689

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FILED ... SKAMANIA CO. WASH
DEC 15 12 46 PM '98
[signature]
AUDITOR
GARY M. OLSON

**AFTER RECORDING MAIL TO:**

Name NW Natural, Attn: Ron Hordichok
Address 220 NW 2nd Avenue, 12th Floor
City/State Portland, OR 97209

**Document Title(s):** (or transactions contained therein)
1.
2. 1st Supplemental Indenture, dated June 1, 1949
3.
4.

First American Title Insurance Company
(this space for title company use only)

**Reference Number(s) of Documents assigned or released:**

☐ Additional numbers on page ______ of document

**Grantor(s):** (Last name first, then first name and initials)
1. Portland Gas and Coke Company
2.
3.
4.
5.

**Grantee(s):** (Last name first, then first name and initials)
1. Bankers Trust Company and R.G. Page (Trustee)
2.
3.
4.
5.

**Abbreviated Legal Description as follows:** (i.e. lot/block/plat or section/township/range/quarter/quarter)

NE¼ of Sec 28, T 3 N, R 8 E

Registered
Indexed, Dir
Indirect
Filmed
Mailed

☐ Complete legal description is on page ______ of document

**Assessor's Property Tax Parcel / Account Number(s):**

03-08-28-1-0-0600-00

RECORDER'S NOTE: PORTIONS OF THIS DOCUMENT POOR QUALITY FOR FILMING

NOTE: [illegible]

# FIRST SUPPLEMENTAL INDENTURE

[illegible], dated as of the 1st day of June, 1949, made and entered into by and between Portland Gas & Coke Company, a corporation of the State of Oregon, whose post office address is Public Service Building, Portland, Oregon (hereinafter sometimes called the Company), party of the first part, and Bankers Trust Company, a corporation of the State of New York, whose post office address is 16 Wall Street, New York, New York (hereinafter sometimes called the Corporate Trustee) and R. G. Page, whose post office address is 744 Watchung Avenue, Plainfield, New Jersey (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1946 (hereinafter called the Mortgage), executed and delivered by Portland Gas & Coke Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called First Supplemental Indenture) being supplemental thereto,

Whereas the Mortgage was filed for record, and was recorded and indexed, as a mortgage of both real and personal property, in the official records of the several counties in the states of Oregon and Washington listed below, as follows:

Oregon

| Dated Filed for Record | County | Officer | Real Estate Mortgage Records Book | Page | Chattel Mortgage Records |
|---|---|---|---|---|---|
| 7/19/46 | Multnomah | Clerk | 911 | 223 | Indexed |
| 7/19/46 | Washington | Clerk | 194 | 1 | Indexed |
| 7/19/46 | Clackamas | Clerk | 283 | 65 | Indexed |
| 7/19/46 | Marion | Recorder | 278 | 1 | Indexed |
| 7/19/46 | [illegible] | Clerk | 107 | 391 | Indexed |
| 7/19/46 | [illegible] | Clerk | [illegible] | 328 | Indexed |
| 7/19/46 | [illegible] | Recorder | 121 | 1 | Indexed |
| 7/19/46 | [illegible] | Clerk | 79 | 324 | Indexed |

WASHINGTON

| Dated Filed for Record | County | Office of | Real Estate Mortgage Records Book | Page | Chattel Mortgage Records |
|---|---|---|---|---|---|
| 7/19/46 | Clark | Auditor | 399 | 1 | No. F63495 |

and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

WHEREAS, in addition to the property described in the Mortgage, the Company has acquired certain other property, rights and interests in property; and

WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, bonds of a series entitled and designated First Mortgage Bonds, 3⅛% Series due 1976 (hereinafter called the bonds of the First Series); and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and that such Series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage; and

WHEREAS the execution and delivery by the Company of this First Supplemental Indenture, and the terms of the bonds of the Second Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That Portland Gas & Coke Company, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery

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plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, gas, electric and other machines, regulators, meters, transformers, generators, motors, gas, electrical and mechanical appliances, conduits, cables, gas, water, steam heat or other pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of gas, electric current, steam heat or water for any purpose including mains, pipes, conduits, towers, poles, wires, cables, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

Together with all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in any wise appertaining to the aforementioned property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

It is hereby agreed by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien hereof and the lien of the Mortgage, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this First Supplemental Indenture and from the lien and operation of the Mortgage, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) gas, petroleum, carbon, chemicals, light oils, tar products, electric energy, steam, water, ice and other materials or products, manufactured, stored, generated, produced, purchased or acquired by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this First Supplemental Indenture and from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

To HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto R. G. Page and (to the extent of its legal capacity to hold the same for the purposes hereof) to Bankers Trust Company, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, this First Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

ARTICLE I.

Second Series of Bonds.

SECTION 1. There shall be a series of bonds designated "3⅞% Series due 1974" (herein sometimes referred to as the "Second Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Second Series shall mature on June 1, 1974, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registerable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, as to either coupon bonds or fully registered bonds, in the denomination of One Hundred Dollars or in any multiple or multiples thereof (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of three and seven-eighths per centum (3⅞%) per annum, payable semi-annually on December 1 and June 1 of each year; and the principal of and interest on each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Second Series shall be dated as of June 1, 1949, and fully registered bonds of the Second Series shall be dated as in Section 10 of the Mortgage provided.

(II) Bonds of the Second Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage in whole at any time, or in part from time to time, prior to maturity, upon notice published as provided in Section 52 of the Mortpage once on at least four different days before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 37 of the Mortgage, in which event notice shall be given by mailing, the first publication or mailing, as the case may be, to be at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

General Redemption Prices

If redeemed during 12 months period ending May 31,

| | | | | | |
|---|---|---|---|---|---|
| 1950 | 104.00% | 1959 | 102.50% | 1968 | 101.00% |
| 1951 | 103.84% | 1960 | 102.34% | 1969 | 100.84% |
| 1952 | 103.67% | 1961 | 102.17% | 1970 | 100.67% |
| 1953 | 103.50% | 1962 | 102.00% | 1971 | 100.50% |
| 1954 | 103.34% | 1963 | 101.84% | 1972 | 100.34% |
| 1955 | 103.17% | 1964 | 101.67% | 1973 | 100.17% |
| 1956 | 103.00% | 1965 | 101.50% | 1974 | 100.00% |
| 1957 | 102.84% | 1966 | 101.34% | | |
| 1958 | 102.67% | 1967 | 101.17% | | |

in each case, together with accrued interest to the date fixed for redemption.

(II) Bonds of the Second Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39, Section 64 or Section 37 of the Mortgage or of Section 2 hereof or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 2 hereof, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 2 hereof if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 29, Section 64 or Section 97 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemable at the following special redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

SPECIAL REDEMPTION PRICES

If redeemed during 12 months period ending May 31,

| | | | | | |
|---|---|---|---|---|---|
| 1950 | 100.[illegible]% | 1959 | 100.40% | 1968 | 100.20% |
| 1951 | 100.50% | 1960 | 100.38% | 1969 | 100.17% |
| 1952 | 100.[illegible]% | 1961 | 100.36% | 1970 | 100.15% |
| 1953 | 100.50% | 1962 | 100.33% | 1971 | 100.12% |
| 1954 | 100.49% | 1963 | 100.31% | 1972 | 100.09% |
| 1955 | 100.47% | 1964 | 100.29% | 1973 | 100.07% |
| 1956 | 100.45% | 1965 | 100.26% | 1974 | 100.04% |
| 1957 | 100.43% | 1966 | 100.24% | | |
| 1958 | 100.[illegible]% | 1967 | 100.22% | | |

in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Second Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Second Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Second Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Second

Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

## ARTICLE II.

### Sinking Fund for Bonds of the Second Series.

SECTION 2. The Company covenants that, unless all bonds of the Second Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Second Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Second Series, on October 1 of each year, beginning with the year 1951, to and including the year 1973, and on March 1 of the year 1974, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the Second Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Second Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (2) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Second Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate

Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Second Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this Section, (b) which have been purchased or redeemed and canceled or for the purchase or redemption of which moneys in the necessary amount shall be held by the Corporate Trustee with irrevocable direction so to apply the same (provided that any such purchase or redemption shall have been, or is to be, effected otherwise than with cash deposited under the provisions of Section 64 of the Mortgage or with cash which, after giving effect to the provisions of Section 61 of the Mortgage, is then deemed to be or to have been Funded Cash, and, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee) and (c) which have not theretofore been made the basis under any of the provisions of the Mortgage for the authentication and delivery of bonds, the withdrawal of cash or the release of property or the basis of a credit under the provisions of this Section or of Section 61 of the Mortgage (subject to the provisions of Sections 39, 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds).

Notwithstanding any other provisions of this First Supplemental Indenture, (i) the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on October 1 of the then current year or any subsequent year or years or on March 1, 1974, by depositing cash and/or a principal amount of bonds of the Second Series with the Corporate Trustee in full satisfaction or in partial satisfaction of the requirements of this Section, and (ii) any cash deposited under this Section, whether in full satisfaction or in partial satisfaction of the requirements of this Section and whether becoming due on October 1 of the then current year or of a subsequent year or on March 1, 1974, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Second Series is in bearer form not registered as to principal, to the purchase of bonds of the Second Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising once in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Second Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Second Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Second Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Second Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Second Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars ($50,000) deposited with the Corporate Trustee pursuant to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Second Series.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Second Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section or of Section 40 of the Mortgage shall be deemed to be Funded Cash;

(II) any bonds of the First Series delivered to the Corporate Trustee pursuant to the provisions of Section 40 of the Mortgage and any bonds of the Second Series delivered to the Corporate Trustee pursuant to the provisions of this Section shall, after such delivery, be deemed to have been retired by the use of Funded Cash;

(III) with respect to all credits taken under Section 40 of the Mortgage on the basis of waivers of the right to the authentication and delivery of bonds or otherwise, it shall be deemed that a credit has been taken under the Mortgage on the basis thereof; and

(IV) with respect to all credits taken under this Section on the basis of the purchase or redemption of bonds of the Second Series, it shall be deemed that a credit had been taken under the Mortgage on the basis thereof.

Any bonds issued under the Mortgage, delivered to, deposited with or purchased or redeemed by, the Corporate Trustee pursuant to the provisions of this Section, shall forthwith be canceled by the Corporate Trustee.

The Company shall forthwith from time to time on demand of the Corporate Trustee make further payments pursuant to the provisions of this Section on account of accrued interest, brokerage and premium, if any, on bonds of the Second Series purchased or redeemed or then to be purchased or redeemed but not in excess of

(AA) the aggregate cost for principal, interest, brokerage and premium, if any, on all bonds theretofore, or then to be, purchased and/or redeemed pursuant to the provisions of this Section;

after deducting therefrom

(BB) the aggregate principal amount of all bonds theretofore, and of all bonds then to be, purchased and/or redeemed pursuant to the provisions of this Section plus the aggregate of all such further payments theretofore made pursuant to the provisions of this Section on account of accrued interest, brokerage and/or premium, if any.

## ARTICLE III.

### Amendments of Certain Provisions of Mortgage.

Section 3. The Company covenants and agrees that the provisions of Section 29 of the Mortgage, which are to remain in effect so long as any bonds of the First Series shall remain Outstanding, shall remain in full force and effect so long as any bonds of the First Series or any bonds of the Second Series shall remain Outstanding.

So long as any bonds of the Second Series shall remain Outstanding, no credit shall be given pursuant to the provisions of clause (5) of subsection (I) of Section 29 of the Mortgage for expenditures for gross additions to automotive equipment of the Company except for net such expenditures for such automotive equipment (after reflecting salvage).

Clauses (d) and (e) of subsection (II) of Section 4 of the Mortgage, clause (6) and clause (e) of Section 5 of the Mortgage and

Section 29 of the Mortgage are hereby amended by inserting therein the words "and all bonds of the Second Series" after the words "First Series") wherever the latter words occur therein.

## ARTICLE IV.

### Limitation on Acquisition of Property Subject to Prior Lien.

SECTION 4. (1) The Company covenants that, so long as any bonds of the Second Series are Outstanding, it will not acquire any property subject to any Prior Lien, as hereinafter in this Section defined, unless either:

(a) the Adjusted Net Earnings of the Company for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which such property is to be acquired, including the adjusted net earnings for such period of the property so to be acquired (computed as nearly as may be in the manner provided in Section 7 of the Mortgage for the computation of Adjusted Net Earnings of the Company but disregarding the provisions of subdivision (10) of said Section 7) shall have been in the aggregate at least equivalent to twice the Annual Interest Requirements set forth in subdivisions (i), (iii) and (iv) of said Section 7, including the annual interest requirements on any indebtedness outstanding in the hands of the public and secured by lien equal or prior to the lien of the Mortgage upon property subject to the lien of the Mortgage and including the annual interest requirements on the Outstanding Prior Lien Bonds secured by such Prior Lien on the property so to be acquired, or

(b) the ratio of the Adjusted Net Earnings of the Company, determined as provided in clause (a) above, to the Annual Interest Requirements, determined as provided in such clause (a), shall at least equal the ratio of the Adjusted Net Earnings of the Company (computed as above mentioned) for a period of twelve (12) consecutive calendar months within the fifteen (15)

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calendar months immediately preceding the first day of the month in which such property is to be acquired (not including the adjusted net earnings for such period of the property so to be acquired) to the Annual Interest Requirements set forth in subdivisions (i), (iii) and (iv) of Section 7 of the Mortgage (including the annual interest requirements on any indebtedness outstanding in the hands of the public and secured by lien equal or prior to the lien of the Mortgage upon property subject to the lien of the Mortgage but not including the annual interest requirements on the Outstanding Prior Lien Bonds secured by such Prior Lien on the property so to be acquired).

(II) For the purposes of this First Supplemental Indenture the term "Prior Lien" shall mean any mortgage or other lien (other than Excepted Encumbrances and other than liens to the Trustees under the Mortgage and liens securing the unpaid purchase price of machinery and equipment) existing just prior to the acquisition thereof by the Company on property acquired or to be acquired by the Company and whether or not such property shall be or become subject to the lien of the Mortgage. For the purposes of this First Supplemental Indenture, the term "Prior Lien Bonds" shall mean bonds, obligations or other principal indebtedness secured by Prior Lien. The term "Outstanding" with respect to Prior Lien Bonds shall mean as of any particular time all Prior Lien Bonds theretofore authenticated and delivered by the trustee or other holder of the Prior Lien securing the same and/or, if there be no such trustee or other holder, all Prior Lien Bonds theretofore made and delivered by the maker (or his successor) of such Prior Lien, except (1) Prior Lien Bonds theretofore paid, retired, redeemed, discharged or canceled, (2) Prior Lien Bonds held under the Mortgage, (3) Prior Lien Bonds held by the trustee or other holder of a Prior Lien (under conditions such that no transfer of ownership or possession of such Prior Lien Bonds by the trustee or other holder of such Prior Lien is permissible thereunder except upon a default thereunder or except to the Corporate Trustee under the Mortgage to be held subject to the provisions of Article IX of the Mortgage or to the trustee or other holder of a Prior Lien for cancellation or to be held unexercised under the terms of a Prior Lien under like conditions), (4) Prior Lien Bonds for the purchase, payment or redemption of which moneys in the necessary amount shall have been deposited with or be held, with irrevocable direction so to apply, by the Corporate Trustee under the Mortgage or by the trustee or other holder of a Prior Lien (provided that, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee), and (5) Prior Lien Bonds upon transfer of which or in exchange or substitution for and or in lieu of which other Prior Lien Bonds have been authenticated and delivered or made and delivered under any of the provisions of the Prior Lien securing such Prior Lien Bonds.

(III) The Company covenants that so long as any bonds of the Second Series are outstanding, in case it shall acquire any property subject to Prior Lien it will, prior to or within a period of thirty (30) days after the date of acquisition of such property, file with the Corporate Trustee:

(A) a Net Earning Certificate showing the Adjusted Net Earnings of the Company and the Annual Interest Requirements as specified in subdivision (a) of subsection (I) of this Section 4 and also, where applicable, as specified in subdivision (b) of subsection (I) of this Section 4 computed, except as otherwise in said subsection (I) required, as provided in Section 7 of the Mortgage; and

(B) an Opinion of Counsel stating the signer's opinion to the effect that the principal amount of all Prior Lien Bonds secured by Prior Lien, existing upon the property so acquired or to be acquired, is correctly stated in the accompanying Net Earning Certificate.

## ARTICLE V.

### Limitation on Issuance of Prior Lien Bonds.

SECTION 1. The Company covenants that, so long as any bonds of the Second Series are Outstanding, it will not apply (directly or indirectly through deposit of cash and the subsequent withdrawal of such cash) for the authentication and delivery of any Prior Lien Bonds, as defined in Section 4 hereof, under the provisions of any Prior Lien, as defined in Section 4 hereof, on the basis of improvements, extensions or additions to the property subject to such Prior Lien, for the purpose of issuance to the public, (I) of an aggregate principal amount in excess of sixty per centum (60%) of the cost or fair value to the Company (whichever is less) of net improvements, extensions or additions to such property after making deductions and additions similar to those provided for in subsection (II) of Section 4 of the Mortgage and (II) unless as shown by a Prior Lien Net Earning Certificate (delivered to the Corporate Trustee) the Prior Lien Adjusted Net Earnings of the Company for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which the application for the authentication and delivery of Prior Lien Bonds then applied for is made on the basis of such net improvements, extensions or additions under the provisions of such Prior Lien (computed in the manner in this Section provided) shall have been in the aggregate at least equivalent to twice the Prior Lien Annual Interest Requirements as shall be specified, pursuant to the provisions of subdivision (B) of this Section, in such Prior Lien Net Earning Certificate.

For the purposes of this Section, the term "Prior Lien Net Earning Certificate" shall mean a certificate signed by the President or a Vice-President of the Company and an accountant, who may be an officer or employee of the Company, stating

(A) the Prior Lien Adjusted Net Earnings of the Company (including but not limited to the earnings from the properties subject to such Prior Lien) for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which the application for the authentication and delivery under a Prior Lien of Prior Lien Bonds then applied for is made, specifying:

(1) the Company's operating revenues, with the principal divisions thereof;

(2) the Company's operating expenses, with the principal divisions thereof, including, but without limitation, all expenses and accruals for repairs and maintenance and all appropriations out of income for property retirement not only in respect of the property mortgaged and pledged under such Prior Lien but also in respect of all other property owned by the Company; provided, however, that, if any mortgage or other lien contains provisions for a renewal or replacement fund or other analogous fund with determinable requirements, in lieu of including in such operating expenses the amounts actually appropriated out of income for depreciation and retirement of the property mortgaged and pledged under such mortgage or other lien used primarily and principally in the gas, electric, steam, and/or hot water utility business or gas by-product business and of the automotive equipment of the Company used in the operation of such property, there shall be included in such operating expenses an amount for each full calendar month included in each period of twelve (12) consecutive calendar months equal to one-twelfth (1/12th) of the amount required by the provisions of such renewal or replacement fund or other analogous fund to be accounted for to the trustee of such mortgage or other lien for the calendar year within which such calendar month is included;

(3) the amount remaining after deducting the amount required to be stated in such certificate by clause (2) of this Section from the amount required to be stated therein by clause (1) of this Section;

(4) the Company's rental expenses for plants or systems not otherwise deducted from revenues or from other income in such certificate;

(5) the balance remaining after deducting such rental expenses from the amount required to be stated in such certificate by clause (3) of this Section;

(6) the Company's rental revenues from plants or systems not otherwise included in revenues, or in other income (net), in such certificate;

(7) the sum of the amounts required to be stated in such certificate by clauses (5) and (6) of this Section;

(8) the Company's other income (net);

(9) the sum of the amounts required to be stated in such certificate by clauses (7) and (8) of this Section;

(10) the amount, if any, by which the aggregate of (a) such other income (net) and (b) that portion of the amount required to be stated in such certificate by clause (7) of this Section which, in the opinion of the signers, is directly derived from the operations of property (other than paving, grading and other improvements in, under or upon public highways, bridges, parks or other public properties of analogous character) not subject to any mortgage or other lien (other than Excepted Encumbrances and other than liens securing the unpaid purchase price of machinery and equipment) at the date of such certificate, exceeds fifteen per centum (15%) of the sum required to be stated by clause (9) of this Section; provided, however, if the amount required to be stated in such certificate by clause (7) of this Section includes revenues from the operation of property not subject to any such mortgage or other lien, there shall be included in the calculation to be made pursuant to this clause (10) such reasonable interdepartmental or interproperty revenues and expenses between the property subject to any such mortgage or other lien and the property not subject to any such mortgage or other lien as shall be allocated to such respective properties by the Company; and

(11) the Prior Lien Adjusted Net Earnings of the Company for such period of twelve (12) consecutive calendar months

(being the amount remaining after deducting in such certificate the amount required to be stated by clause (10) of this Section from the sum required to be stated by clause (9) of this Section);

(B) the Prior Lien Annual Interest Requirements, being the interest requirements for twelve (12) months upon:

(i) all Bonds Outstanding under the Mortgage at the date of such certificate, except any for the refunding of which the Prior Lien Bonds applied for are to be issued;

(ii) all Prior Lien Bonds Outstanding under such Prior Lien at the date of such certificate (except any for the refunding of which the Prior Lien Bonds applied for are to be issued) and all Prior Lien Bonds then applied for in pending applications, including the application in connection with which such certificate is made; and

(iii) the principal amount of all other indebtedness (except indebtedness for the payment of which the Prior Lien Bonds applied for are to be issued and indebtedness for the purchase, payment or redemption of which moneys in the necessary amount shall have been deposited with or be held by the Corporate Trustee or the trustee or other holder of the mortgage or other lien securing the same with irrevocable direction so to apply such moneys; provided that, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee), outstanding in the hands of the public on the date of such certificate and secured by any mortgage or other lien (other than Excepted Encumbrances and other than liens securing the unpaid purchase price of machinery and equipment), if said indebtedness has been assumed by the Company or if the Company customarily pays the interest upon the principal thereof.

In calculating such Prior Lien Adjusted Net Earnings, all the Company's expenses for taxes (other than income, profits and other taxes measured by, or dependent on, net income), assessments, rentals and insurance shall be included in its operating expenses, or otherwise deducted from its revenues and income; provided, however, that no expenses or provisions for interest on any of its indebtedness or for the amortization of debt discount and expense or for other amortization or for any improvement or sinking fund or other device for the retirement of any indebtedness, shall be required to be included in operating expenses to be deducted from, or shall be otherwise required to be deducted from, its revenues or its other income.

If any of the property of the Company owned by it at the time of the making of any Prior Lien Net Earning Certificate shall have been acquired during or after any period for which Prior Lien Adjusted Net Earnings of the Company are to be computed, the Prior Lien Adjusted Net Earnings of such property, (computed in the manner in this Section provided for the computation of the Prior Lien Adjusted Net Earnings of the Company) during such period or such part of such period as shall have preceded the acquisition thereof, to the extent that the same have not otherwise been included and unless such property shall have been acquired in exchange or substitution for property, the earnings of which have been included, may, at the option of the Company, be included in the Prior Lien Adjusted Net Earnings of the Company for all purposes of this First Supplemental Indenture, and shall be included if such property has been operated as a separate unit or if the earnings therefrom are readily ascertainable.

Each such certificate shall include the statements required by Section 121 of the Mortgage.

## ARTICLE VI.

### Miscellaneous Provisions.

SECTION 6. Subject to the amendments provided for in this First Supplemental Indenture, the terms defined in the Mortgage shall, for all purposes of this First Supplemental Indenture, have the meanings specified in the Mortgage.

SECTION 7. Subdivision (A) of subsection (II) of Section 4 of the Mortgage is hereby amended by inserting "(i)" after "(as of the date so certified)," and by adding to such subdivision the following: "(ii) an amount, if any, by which the Cost of automotive equipment used in the gas, electric, steam and/or hot water utility business of the Company retired subsequent to March 31, 1946, exceeds the sum of (a) the Cost of automotive equipment used in the gas, electric, steam and/or hot water utility business of the Company acquired subsequent to March 31, 1946, and (b) the amounts theretofore so deducted pursuant to this clause (ii), and".

SECTION 8. Section 55 of the Mortgage is hereby amended by inserting the words "and subject to the provisions of Section 2 of the First Supplemental Indenture dated as of June 1, 1949", after the words "and 87 hereof".

SECTION 9. The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this First Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this First Supplemental Indenture.

SECTION 10. Whenever in this First Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this First Supplemental Indenture contained by or on behalf of the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 11. Nothing in this First Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy, or claim under or by reason of this First Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements by or on behalf of the Company as set forth in this First Supplemental Indenture shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 12. This First Supplemental Indenture has been executed in several identical counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Portland Gas & Coke Company, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf; Bankers Trust Company, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries; and [illegible], one of the parties hereto of the second part, has hereunto

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set his hand and affixed his seal, all in The City of New York, on the 17th day of June, 1949, as of June 1, 1949.

PORTLAND GAS & COKE COMPANY,

By [signature]
President.

Attest:

[signature]
Assistant Secretary

Executed, sealed and delivered by PORTLAND GAS & COKE COMPANY in the presence of:

[signature]

[signature]

BANKERS TRUST COMPANY, as Trustee,

By [signature]
Vice President.

Attest:

[signature]
Assistant Secretary

Executed, sealed and delivered by BANKERS TRUST COMPANY in the presence of:

[signature]

[signature]

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_______________ (L. S.)

R. G. Page, as Trustee.

[illegible] by R. G. Page in the presence of:

_______________

_______________

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

June 17, A. D. 1940.

Before me personally appeared C. H. GUERNSEY, who, being duly sworn, did say that he is President of PORTLAND GAS & COKE COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 17th day of June, 1940, before me personally appeared C. H. GUERNSEY, to me known to be President of PORTLAND GAS & COKE COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Lou Ethel Murray

Notary Public

LOU ETHEL MURRAY
Notary Public in the State of New York
Qualified in Bronx County
Bronx Co. Clk. No. 6[illegible], Reg. No. 2[illegible] M 0
Certificates Filed in
N. Y. Co. Clk's No. 27[illegible], Reg. No. 7[illegible] M 0
Kings Co. Clk's No. [illegible], Reg. No. 4[illegible] M 0
Queens Co. Clk. No. [illegible], Reg. No. 2[illegible] M 0
Commission expires March 30, 1940

Residing at Bronx, N. Y.

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STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

June 17, A. D. 1949.

Before me personally appeared J. H. MILLIKIN, who, being duly sworn, did say that he is a Vice President of BANKERS TRUST COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

On this 17th day of June, 1949, before me personally appeared J. H. MILLIKIN, to me known to be a Vice President of BANKERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Aloyse A. Stephens
Notary Public

ALOYSE A. STEPHENS
Notary Public, State of New York
No. [illegible]
Qualified in Bronx County
Certificates Filed with
New York County Clerks and Registers
Bronx County Clerks and Registers
Term Expires March 30, 1951

Residing at Bronx, N. Y.

NOTARY PUBLIC

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STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

June 17, A. D. 1949.

Before me personally appeared the above-named R. G. PAGE and acknowledged the foregoing instrument to be his voluntary act and deed.

On this day personally appeared before me R. G. PAGE to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 17th day of June, 1949.

Aloysius A. Stephens
Notary Public

ALOYSIUS A. STEPHENS
Notary Public, State of New York
[illegible]
Qualified in Bronx County
Certificates filed with
New York County Clerks and Registers
Bronx County Clerks and Registers
Term Expires March 30, 1951

Bronx, N. Y.

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STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

C. H. GUEFFROY, being duly sworn, deposes and says that he is President of PORTLAND GAS & COKE COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith, and without any design to hinder, delay, or defraud creditors.

C H Gueffroy

Subscribed and sworn to before me this 17th day of June, 1948.

Lou Ethel Murray
Notary Public

LOU ETHEL MURRAY
Notary Public in the State of New York
Qualified in Bronx County
Bronx Co. Clk. No. 48, Reg. No. [illegible]
Certificates Filed in
N. Y. Co. Clk's No. 274, Reg. No. [illegible]
Kings Co. Clk's No. 271, Reg. No. [illegible]
Queens Co. Clk. No. [illegible], Reg. No. [illegible]
Commission expires March 30, [illegible]

Residing at Bronx, N. Y.



[illegible] DOCUMENT 24050 [illegible] JUN [illegible] 3:48 PM [illegible]

STATE OF OREGON }
COUNTY OF MULTNOMAH } ss

I do hereby certify that the foregoing copy of First Supplemental Indenture has been by me compared with the original, and that it is a correct transcript therefrom, and the whole of such original, as the name appears on file and of record in our office and in our care and custody. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed our seal this 23rd day of November 1998

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Recorded: June 23 1949

MULTNOMAH COUNTY RECORDING DEPT.

BY: G. T. Miller
DEPUTY