

Exhibit B

AMENDED TRUST INDENTURE

THIS AMENDED TRUST INDENTURE is made as of the first day of February, 2002, between the CITY OF PORTLAND, OREGON, a municipal corporation of the State of Oregon (the "City"), and U.S. Bank National Association (formerly First Trust National Association), Portland, Oregon, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, under and by virtue of the laws of the United States of America, having a principal place of business in the City of Portland, Oregon, as Trustee (the "Trustee").

ARTICLE RECITALS.

The City is a municipal corporation operating under and pursuant to the Constitution and laws of the State Of Oregon and its City Charter, and has full power and authority to enter into this Amended Indenture and issue the Series 1993 Bonds and the Series 2002 Bonds.

The City has previously entered into a Power Sales Agreement with Portland General Electric Company, an Oregon corporation (the "Purchaser") pursuant to which the Purchaser has agreed to buy the power generated by the Project to provide service to the general populace within its service area, including Multnomah and Clackamas Counties, Oregon.

The City and the Purchaser have in 2002 entered into amendments to the Power Sales Agreement eliminating the geographic limitations on use of the project power, specifying that the Purchaser will pay, in addition to other amounts, amounts sufficient to pay the debt service on the Series 1993 Bonds and the Series 2002 Bonds, and making certain other minor changes in the contract to take into account changed circumstances. Those amendments are contingent upon, and shall not take effect unless, the City sells, issues and delivers the Series 2002 bonds and calls all outstanding 1979 Bonds for redemption on April 1, 2002.

The City has issued two series of bonds, the "City of Portland, Oregon Hydroelectric Power Revenue Bonds, Series A" (the "1979 Bonds") in an aggregate principal amount of \$38,000,000, and the "City of Portland, Oregon Hydroelectric Power Revenue Bonds, Series B" (the "Series B Bonds") in an aggregate principal amount of \$17,000,000, to finance hydroelectric power generating facilities on the Bull Run River in Multnomah and Clackamas Counties, Oregon (the "Project"). The 1979 Bonds and the Series B Bonds have a senior claim on the payments due from the Purchaser under the Power Sales Agreement.

The Trustee acts as Trustee for the Bonds under the Indenture for the 1979 Bonds and the Series B Bonds.

The City has previously issued its Hydroelectric Power Revenue Refunding Bonds, Series 1993 (Taxable) (the "Series 1993 Bonds") under the terms of a Subordinate Trust Indenture dated as of August 1, 1993 ("Subordinate Indenture"). The Series 1993 Bonds refunded and paid all the Series B Bonds.

The City is now issuing its Hydroelectric Power Revenue Refunding Bonds, Series 2002 (Federally Taxable) ("Series 2002 Bonds") as Parity Obligations under the terms of the Subordinate Trust Indenture. When the Series 2002 Bonds are issued, all the 1979 Bonds will be paid or defeased.

Since all the 1979 Bonds and Series B Bonds will have been paid or defeased at the time the Series 2002 Bonds are issued, there will be no obligations which have a claim on the amounts due under the Power Sales Agreement which is superior to the claim of the Series 1993 and Series 2002 Bonds.

The parties execute this Amended Trust Indenture to specify the terms of the Series 2002 Bonds as Parity Obligations, and to amend and restate the provisions of the Subordinate Indenture to provide that the lien and pledge of revenues which secures the Series 1993 Bonds and the Series 2002 Bonds is no longer subordinate.

The Power Sales Agreement has been amended to specify that the Purchaser will pay, in addition to other amounts, amounts sufficient to pay the debt service on the Series 1993 Bonds and the Series 2002 Bonds.

ARTICLE GRANTING CLAUSES

All right, title and interest of the City in and to the Gross Revenues is hereby granted, assigned and pledged to the Trustee and its successors and assigns forever,

TO HAVE AND TO HOLD, in trust, nevertheless, with power of sale for the equal and prorata benefit and security of each and every Owner of the Bonds issued and to be issued hereunder, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Bonds shall have the same right, lien and privilege under this Amended Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date.

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the City or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the true intent and meaning of such Bonds and each of them, or shall provide for the payment or redemption of such Bonds when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the City, then these presents and the estate and rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the City and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the City such instruments of satisfaction or release as may be necessary or proper to discharge this Amended Indenture of record, and if necessary shall grant, reassign and deliver to the City, its successors or assigns, all and singular the rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of as herein provided; otherwise this Amended Indenture shall be and remain in full force.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Bonds are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the City, for itself and its successors, does hereby covenant and agree to and with the Trustee and its respective successors in said trust, for the benefit of those who shall own the Bonds as follows:

ARTICLE DEFINITIONS

Capitalized terms used in this Amended Indenture shall have the meanings defined for such terms in this Section.

“AMBAC Indemnity” shall mean AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company.

“Amended Indenture” means this Subordinate Trust Indenture authorizing the Bonds, as originally executed or as it may from time to time be supplemented or amended by one or more Indentures supplemental hereto.

“Bond Account” means the account within the Gross Revenue Fund to be known as “City of Portland, Oregon Bond Account” which is created pursuant to Section 4.3 of this Amended Indenture.

“Bonds” means the Series 1993 Bonds, the Series 2002 Bonds and any Parity Obligations.

“Code” means the Internal Revenue Code of 1986, as amended.

“DTC” means The Depository Trust Company. “Governmental Obligations” means Permitted Investments described in paragraphs (1) or (2) of the definition of Permitted Investments.

“Gross Revenue Fund” means the account to be known as the “City of Portland Gross Revenue Fund” established under Section 4.1 of this Amended Indenture.

“Gross Revenues” means (a) all right, title and interest of the City in and to all amounts due to the City under the Power Sales Agreement; and (b) if the Power Sales Agreement is terminated pursuant to Section 7.4 thereof, all revenues the City receives from the Project.

“Indenture” means the Trust Indenture between the City and the Trustee, dated as of June 1, 1979, as supplemented and amended by the Series B Supplemental Indenture.

“Municipal Bond Insurance Policies” shall mean the municipal bond insurance policies issued by AMBAC Indemnity insuring the payment when due of the principal of and interest on the Series 1993 Bonds and the Series 2002 Bonds as provided herein.

“Owner” or “Bondholder” means a Registered Owner of a Bond, as shown on the Bond registration books maintained by the Trustee.

“Parity Obligations” means obligations issued on a parity with the Bonds pursuant to Article 6 of this Amended Indenture.

“Permitted Investments means :

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below), or
- (2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.
- (3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Farm Credit System Financial Assistance Corporation

- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration

(4) Senior debt obligations rated “AAA” by Standard & Poor's Corporation (S&P) and “Aaa” by Moody's Investors Service, Inc. (Moody's) issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and senior debt obligations of other Government Sponsored Agencies approved by AMBAC Indemnity:

(5) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and “P-1” by Moody's and which matures not more than 270 days after the date of purchase.

(7) Investments in a money market fund rated “AAAm” or AAAMG” or better by S&P;

(8) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the escrow), in the highest rating category of S&P and Moody's or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph of the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(9) investment agreements approved in writing by AMBAC Indemnity Corporation with notice to S&P and

(10) other forms of investments (including repurchase agreements) approved in writing by AMBAC with notice to S&P.

“Power Sales Agreement” means the Power Sales Agreement dated as of April 12, 1979 between the City and the Purchaser, as amended.

“Project” means the City’s hydroelectric power generating facilities on the Bull Run River in Multnomah and Clackamas Counties, including any future improvements and additions to those facilities.

“Record Date” means the fifteenth day of the month preceding a month in which Bond interest is scheduled to be paid.

“Renewal and Replacement Fund” means the fund described in Article 12.

“S&P” means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York and its successors and its assigns, if any.

“Series 1993 Bonds” means the Bonds described in Section 5.1.

“1979 Bonds” means the City's Hydroelectric Power Revenue Bonds, in the aggregate principal amount of \$38,000,000, issued pursuant to the Indenture.

“Series B Bonds” means the City's Hydroelectric Power Revenue Bonds, Series B, in the aggregate principal amount of \$17,000,000, issued pursuant to the Indenture.

“Series B Supplemental Indenture” means the supplemental Indenture dated as of September 1, 1980, pursuant to which the Series B Bonds were issued.

ARTICLE PLEDGE; BOND ACCOUNT; SECURITY FOR BONDS.

Pledge.

The City hereby pledges the Gross Revenues to the payment of principal of, premium (if any) and interest on all Bonds. Pursuant to ORS 288.594, the pledge of the Gross Revenues hereby made by the City shall be valid and binding from the time of the delivery of this Amended Indenture. The Gross Revenues so pledged and hereafter received by the City or the Trustee shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever to the fullest extent permitted by ORS 288.594(2).

GROSS REVENUE FUND.

The City shall establish with the Trustee and shall maintain an account to be known as the “City of Portland, Oregon Gross Revenue Fund” so long as the Bonds are outstanding. All Gross Revenues shall be deposited into the Gross Revenue Fund. Amounts in the Gross Revenue Fund shall be used to make the transfers to the Bond Account required by Section 4.3 and the transfers to the Renewal and Replacement Fund described in Article 12 before they are used for any other purpose. No amounts in the Gross Revenue Fund shall be transferred to the Renewal and Replacement Fund or applied for any other purpose if the Trustee has failed to make a deposit required by Section 4.3 and the failure is continuing, so that the balance in the Bond Account is less than the balance would be if all payments required by Section 4.3 had been timely made. Any amounts remaining in the Gross Revenue Fund after the transfers and deposits required by this Section 4.2 and Article 12 have been made shall be used to pay any expenses associated with the Project, including but not limited to those items listed in Sections 2(a)(4) to 2(a)(7), inclusive, of the Power Sales Agreement, or for any other lawful purpose as directed by the City Council of the City.

Bond Account.

The City shall establish with the Trustee, and maintain so long as any of the Bonds are outstanding, an account within the Gross Revenue Fund to be known as “City of Portland, Oregon Bond Account,” which shall be held by the Trustee.

On the twentieth day of each calendar month (or on the first business day thereafter if the twentieth is not a business day) beginning _____, 2002, , the Trustee shall credit Gross Revenues in the Gross Revenue Fund to the Bond Account in an amount equal to one-sixth of the Bond interest to become due on the next ensuing Bond interest payment date and one twelfth of the Bond principal to become due on the next ensuing Bond principal payment date.

If any Bonds are to be redeemed prior to their scheduled maturity date, the Trustee shall deposit into the Bond Account an amount sufficient (after taking into account other amounts available in the Bond Account) to pay all Bond principal, interest and premium, if any, which is due on the date of redemption.

Earnings on amounts in the Bond Account shall be credited against the deposits required by Section 4.3.1.

Security For Bonds.

The Bonds shall be payable solely from the Gross Revenues and any other amounts deposited in the Bond Account. The Bonds shall not be general obligations or liabilities of the City, and shall not be a charge on the taxing power or any assets of the City except the Gross Revenues.

ARTICLE THE SERIES 1993 BONDS AND THE SERIES 2002 BONDS.

Basic Terms of Series 1993 Bonds.

The Series 1993 Bonds were issued pursuant to the Subordinate Indenture in the aggregate, original principal amount of Seven Million Nine Hundred and Eighty Thousand dollars \$7,980,000. The Series 1993 Bonds are in book entry only form, in denominations of \$5,000 or integral multiples within a single maturity, bear interest which is includable in gross income under the Code and is payable semiannually on April 1 and October 1 of each year, commencing April 1, 1994, and mature and bear interest as follows:

Date	Principal Amount	Interest Rate
10-01-94	\$390,000	3.80%
10-01-95	470,000	4.30%
10-01-96	495,000	4.80%
10-01-97	520,000	5.10%
10-01-98	545,000	5.40%
10-01-99	575,000	5.70%
10-01-20	610,000	5.90%
10-01-01	635,000	6.10%
10-01-02	675,000	6.20%
10-01-03	705,000	6.30%
10-01-04	745,000	6.40%
10-01-05	790,000	6.40%
10-01-06	825,000	6.50%

Basic Terms of Series 2002 Bonds.

The Series 2002 Bonds are issued pursuant to this Amended Indenture in the aggregate principal amount of _____ dollars (\$ _____). The Series 2002 Bonds are in book entry only form, in denominations of \$5,000 or integral multiples within a single maturity, bear interest which is includable in gross income under the Code and is payable semiannually on ___ 1 and ___ 1 of each year, commencing _____, and mature and bear interest as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Book-Entry Only System.

The Series 1993 Bonds were initially issued as a book-entry only security issue with none of the Series 1993 Bonds being made available to the Owners in accordance with the City's blanket letter of representations among the Trustee, DTC and the City, in the standard form provided by DTC. The Series 2002 bonds will be issued as a book-entry only security issue with none of the Series 2002 Bonds being made available to the Owners in accordance with the City's blanket letter of representations among the Trustee, DTC and the City, in the standard form provided by DTC. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on the DTC book-entry-only system. The Series 1993 Bonds were initially issued in the form of separate single fully registered typewritten Series 1993 Bonds for each maturity thereof ("1993 Global Bond). The Series 2002 Bonds will be issued in the form of separate single fully registered typewritten 2002 Series Bonds for each maturity thereof (the "2002 Series Global Bonds") in substantially the form attached hereto as Exhibit A with such changes as are required to conform with the Bond Purchase Contract (the Series 1993 Global Bond and the Series 2002 Global Bond jointly the "Global Bonds"). Each Global Bond was registered in the name of Cede & Co. as nominee (the "nominee") of DTC (DTC and any other qualified securities Depository designated by the City as a successor to DTC, collectively the "Depository") as the "Registered Owner." The Trustee shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the nominee for the benefit of the Beneficial Owners (the "Beneficial Owners") by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry only form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof within a single maturity.

In the event the Depository determines not to continue to act as securities Depository for the Bonds, or the City determines that the Depository shall no longer so act, then the City shall discontinue the book-entry-only system with the Depository. If the City fails to designate another qualified securities Depository to replace the Depository or elects to discontinue use of a book-entry-only system, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Trustee in the name of the Owner as appearing on the Bond Register and thereafter in the name or names of the Owners of the Bonds transferring or exchanging Bonds.

With respect to Bonds registered in the registration books maintained by the Trustee in

the name of the nominee of the Depository, the City and the Trustee shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Registered Owner on behalf of which such participants or correspondents act as agent for the Owner with respect to:

The accuracy of the records of the Depository, the nominee or any participant or correspondent with respect to any ownership interest in the Bonds;

The delivery to any participant or correspondent or any other person, other than a Owner as shown in the registration books maintained by the Trustee, of any notice with respect to the Bonds, including any notice of prepayment;

The selection by the Depository of the beneficial interest in Bonds to be redeemed prior to maturity; or

The payment to any participant, correspondent, or any other person other than the Owner of the Bonds as shown in the registration books maintained by the Trustee, of any amount with respect to principal of or interest on the Bonds.

Notwithstanding the book-entry-only system, the City may treat and consider the Beneficial Owner in whose name each Bond is registered in the registration books maintained by the Trustee as the Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The City shall pay or cause to be paid all principal and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the City and to the Owner of written notice to the effect that the Depository has determined to substitute a new nominee in place of the nominee, then the word "nominee" in this Amended Indenture shall refer to such new nominee of the Depository, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Trustee. The Depository shall tender the Bonds it holds to the Trustee for reregistration.

Redemption of Series 1993 Bonds.

The City reserves the right to redeem all or any portion of the Series 1993 Bonds by lot within a maturity on the dates and upon the following conditions described in Section 5.3.2 hereof.

The Series 1993 Bonds maturing on or after October 1, 2004, are subject to redemption prior to maturity at the option of the City on October 1, 2003, or thereafter, in whole or in part at any time (with the maturities to be selected by the City and with the Series 1993 Bonds within a maturity to be selected by lot in such manner as the Trustee shall determine), at the price of par, together with accrued interest to redemption date.

Redemption of Series 2002 Bonds.

[INSERT REDEMPTION TERMS]

Notice of Redemption of Bonds.

Notice to Owner. Unless waived by any Owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee. Notice shall also be published in one issue of a business and financial newspaper published in Portland, Oregon, at least 30 days prior to the date fixed for redemption. Failure to give such notice, or a defect therein, shall not affect the validity of the redemption.

Notice to DTC. In the case where DTC is acting as securities Depository for the Bonds and less than all Bonds of a maturity are to be redeemed, the Trustee shall notify DTC not more than 45 days prior to the date fixed for redemption of the maturity to be redeemed in the manner required in the City's letter of representations to DTC.

Content of Notice. Except as provided in Section 5.5 hereof, all official notices of redemption shall be dated and shall state:

The redemption date,

The redemption price,

If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

That on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Trustee.

Deposit of Redemption Price. The City shall deposit with the Trustee, on or before the date that notice of redemption is required to be given pursuant to this Amended Indenture, an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Interest Ceases to Accrue. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be

canceled and destroyed by the Trustee and shall not be reissued.

Non-Book Entry Bonds. The provisions of this subsection apply only if the Bonds cease to be a book-entry only issue. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus:

The CUSIP numbers of all Bonds being redeemed;

The date of issue of the Bonds as originally issued;

The rate of interest borne by each Bond being redeemed;

The maturity date of each Bond being redeemed; and

Any other descriptive information needed to identify accurately the Bonds being redeemed.

Each such further notice shall be published one time in *The Bond Buyer* of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Bond Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Authentication, Registration And Transfer. (No Book-Entry).

No Bond shall be entitled to any right or benefit under this Amended Indenture unless it shall have been authenticated by an authorized officer of the Trustee. The Trustee shall authenticate all Bonds to be delivered at closing, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Amended Indenture.

The Ownership of all Bonds shall be entered in the Bond Register maintained by the Trustee and the City and Trustee may treat the person listed as Owner in the Bond Register as the Owner of the Bond for all purposes.

The Trustee shall mail each interest payment on the interest payment date (or the next business day if the payment date is not a business day) to the name and address of the Bond Owner, as that name and address appear on the Bond Register as of the Record Date. If payment is so mailed, neither the City nor the Trustee shall have any further liability to any party for such payment.

Bonds may be exchanged for an equal principal amount of Bonds of the same maturity which are in different authorized denominations, and Bonds may be transferred to other Owners if the Bond Owner submits the following to the Trustee:

Written instructions for exchange or transfer satisfactory to the Trustee, signed by the Bond Owner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Trustee; and

The Bonds to be exchanged or transferred.

The Trustee shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following interest payment date; however, such Bonds shall be exchanged or transferred promptly following the interest payment date.

The Trustee shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to it during the fifteen-day period preceding the designated redemption date.

For purposes of this Section, Bonds shall be considered submitted to the Trustee on the date the Trustee actually receives the materials described in Section 5.7.4 hereof.

The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners of the Bonds. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Disposition Of Series 1993 Bond Proceeds.

The proceeds of the 1993 Bonds were applied as provided in the Subordinate Indenture.

Disposition Of Series 2002 Bond Proceeds and Redemption of 1979 Bonds.

Interest accrued from the date of the Series 2002 Bonds until the date of closing shall be placed in the Bond Account, and shall be used to pay interest on the Series 2002 Bonds.

An amount which is sufficient, with other amounts transferred to the Trustee by the City, to pay and redeem the 1979 Bonds on April 1, 2002 shall be held irrevocably in trust by the Trustee in its capacity as trustee under the Indenture, and pursuant to Section 8.01(b) of the Indenture, and applied to pay all principal, interest and premium on the 1979 Bonds on April 1, 2002. The Trustee shall invest such amounts at the instruction of the City in "Qualified Securities" (as defined in Section 4.08 of the Indenture) which mature on or before April 1, 2002.

Any remaining proceeds shall be transferred to the City and applied to pay costs of issuing the Series 2002 Bonds.

The City hereby irrevocably calls the 1979 Bonds for redemption on April 1, 2002.

The Trustee, in its capacity as trustee under the Indenture, agrees to give notice of the redemption of the 1979 Bonds pursuant to the terms of the 1979 Bonds.

ARTICLE PARITY OBLIGATIONS

The City may issue Parity Obligations for any purpose related to the Project, but only if the Power Sales Agreement requires the Purchaser to pay amounts equal to all debt service on the Parity Obligations, and only if no Default has occurred and is continuing under this Amended Indenture. Parity Obligations shall be Bonds; all Bonds shall be equally and ratably secured

both as to principal, premium, if any, and interest by this Amended Indenture, as it may be amended, or supplemented by a supplemental indenture for the Parity Obligations.

ARTICLE COVENANTS

Promise to Pay.

The City covenants that it will promptly pay, but only from Gross Revenues, the principal of and interest on every Bond issued under the provisions of this Amended Indenture at the places, on the dates and in the manner provided herein and in the Bonds, and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof.

The Power Sales Agreement.

The City covenants that it will not consent voluntarily to any amendment or rescission of the Power Sales Agreement or take any action in connection with the Power Sales Agreement which would in any manner impair or adversely affect the rights of the Owners or AMBAC Indemnity; provided, however, that the City may terminate the Power Sales Agreement in the event the Purchaser should default thereunder and such termination is in the best interests of the Owners.

Ownership of the Project.

The City covenants and warrants that it lawfully owns and is, or will be, lawfully possessed of the Project, and has or will have good and indefeasible estate therein in fee simple subject to encumbrances permitted hereunder.

Limitation on Other Pledges and Liens.

The City covenants that it will not, directly or indirectly, create, assume, incur or suffer to exist any mortgage, pledge, encumbrance, lien or charge of any kind on the Gross Revenues which is superior to the claim of the Bonds, that it will grant parity liens and pledges only as permitted by Article 4. The City reserves the right to pledge, lien or otherwise encumber any Gross Revenues which remain after the deposits required by this Amended Indenture have been made.

Additional Instruments.

The City covenants and agrees that it will, upon reasonable request by the Trustee, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this Amended Indenture and to transfer to any new Trustee the estate, powers, instruments and funds held in trust hereunder, which it is herein provided shall be subject to the lien hereof.

The Project.

The City covenants and agrees that it will at all times maintain, preserve and keep the Project and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business pertaining to the Project and every part thereof shall at all times be conducted properly and advantageously; and whenever any portion of the Project shall have been worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use, the City will procure and install substitutes of at least equal value, utility and efficiency so that the value and efficiency of the Project shall at all times be fully maintained. The City will

contract with the Purchaser to fully comply with the terms of the covenant herein, subject only to the limitations of renewal and replacement in the Power Sales Agreement.

The Consulting Engineer.

The City will retain a nationally recognized independent consulting engineer or engineering firm (the "Consulting Engineer") to render continuous engineering counsel in the operation of the Project. In addition to his other duties, the Consulting Engineer shall, at least once during each 3-year period thereafter, make a physical examination of the Project, and prepare a report based upon such examination and a survey of the operation and maintenance of the Project. The Consulting Engineer shall also report to the Trustee and the City upon the economic soundness and feasibility of all contemplated renewals, replacements, additions, betterments and improvements to, and extensions of, the Project (excluding costs of normal operation and maintenance) involving the expenditure of \$50,000 or more. The Consulting Engineer shall also file annually a certificate with the Trustee describing the insurance then in effect and stating whether or not such insurance reasonably complies with the requirements of this Amended Indenture. In the event of any loss or damage in excess of \$250,000, whether or not covered by insurance the Consulting Engineer is to ascertain the amount of such loss or damage and deliver to the City a certificate setting forth the amount and nature of such loss or damage, together with recommendations as to whether or not the properties affected by such loss or damage should be replaced. Copies of any such triennial report, annual certificate as to insurance, or certificate in respect of any such loss or damage will be sent to Owners filing with the City written requests therefor.

Payment and Indemnification of the Trustee.

The City will from time to time pay the Trustee reasonable compensation for its services, and will reimburse and save harmless the Trustee from and against all expenses, liability and damage incurred by the Trustee in connection with the execution of trusts and powers hereunder except expenses, liabilities and damages which arise from its own negligence or want of good faith.

Performance by City.

The City covenants and agrees that it will not suffer or permit any Default to occur under this Amended Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements hereof obligatory upon it. The City covenants and agrees that it will not go into voluntary bankruptcy or insolvency, or apply for or consent to the appointment of a receiver or Trustee of itself or of its property or make any general assignment for the benefit of its creditors, or suffer any order adjudicating it to be bankrupt or insolvent or appointing a receiver or Trustee of it or of its property.

Project License.

The City covenants and agrees that it now has complete and lawful authority and privilege to maintain and operate the Project and that no licenses (including but not limited to the license from the Federal Energy Regulatory Commission ("FERC")), permits, rights, franchises or privileges of the City will be allowed to lapse or be forfeited so long as the same shall be necessary for the operations of the City and that it will procure the extension or renewal of each and every right, franchise or privilege so expiring and necessary or desirable for the operation of the Project.

Books of Account.

The City will keep proper books of account in accordance with the rules and regulations prescribed by any governmental agency authorized to prescribe such rules, including the state auditor's office of the State of Oregon, and in accordance with the uniform system of accounts prescribed by FERC. Such books of account are to be audited annually by a firm of independent certified public accountants of national reputation experienced in electric utility accounting. Owners may obtain copies of the annual financial statements showing the financial condition of the Project and the annual audit report by sending a written request therefor to the City.

Maintenance of Trusts.

The City covenants and agrees that it will do and perform all matters or things necessary or expedient to be done or performed by reason of any law of the United States of America, or of the State of Oregon, for the purpose of creating, performing and maintaining the trust hereby created for the security of the payment of the Bonds and the interest thereon, and to perform all of the obligations hereby imposed upon the City.

Insurance.

The City will keep that part of the Project acquired and/or constructed from the proceeds of the Bonds insured, to the extent such insurance is available at reasonable cost with responsible insurers and at least to the extent that similar insurance is usually carried by electric utilities operating like properties, against risks of direct physical loss, damage to, or destruction of, the Project, and against any other risk mutually agreed upon by the City and the Purchaser.

The City shall maintain, and/or shall cause the Purchaser under the Power Sales Agreement to maintain, so long as any of the Bonds are outstanding, public liability insurance with limits of not less than \$30,000,000 for any one occurrence involving any accident or other incident, to protect the City from claims for bodily injury and/or death which may arise from the Project's operation, including any use or occupancy of its grounds or structures, and shall furnish the Trustee with the policy or policies that shall comprise such insurance. Such policies shall be subject to reasonable increases to reflect social and economic changes and may have deductible clauses in amounts determined by the City and the Purchaser to be reasonable.

In the event of any loss or damage to or destruction of the Project, the City will forthwith repair or reconstruct the damaged or destroyed portion thereof to the reasonable satisfaction of the Trustee and will apply the proceeds of the insurance policies covering such loss solely for that purpose. If any proceeds received by the Trustee by reason of any particular loss under the insurance policies shall not exceed \$5,000,000, such proceeds shall be paid over by the Trustee to or upon the order of the City upon its written request and shall be applied to the extent required, solely for the purpose of repairing or reconstructing or replacing the damaged or destroyed property as aforesaid. If the proceeds received by the Trustee by reason of any such loss shall exceed \$5,000,000, such proceeds shall be paid out by the Trustee from time to time to or upon the order of the City, but only upon receipt by the Trustee of (1) a written request of the City specifying the expenditures made or indebtedness incurred in repairing or reconstructing or replacing the damaged or destroyed property, and that the proceeds of insurance, together with any other money legally available for such purpose, will be sufficient to complete such repairing or reconstructing or replacing, and (2)

if the Owners of not less than twenty-five percent (25%) of the outstanding Bonds shall request, the written approval of said written request by the Consulting Engineer.

In the event the proceeds of the insurance which shall become payable to the Trustee, together with all other money legally available for such purpose, are insufficient to complete the repair or reconstruction or replacement of the damaged or destroyed property, said proceeds shall be deposited with and held by the Trustee as security for the Bonds as provided in the Indenture, and to the extent the proceeds are not required to be held and applied to pay Bonds, they shall be held and applied to pay Bonds ratably.

Any amounts held by the Trustee or by the City and remaining at the completion of, and after payment for, such repair, reconstruction or replacement and any application to the Bonds which is required by the Indenture shall be applied in payment of accrued interest on the Bonds as the same shall become due, or, as directed by the City, to be used to redeem the Bonds according to the redemption provisions hereof if payment of interest shall not be in default. If any amounts remain after they have been applied to pay Bonds, they shall be applied to pay or redeem Bonds.

In the event of any loss or damage to or destruction of the Project or any portion thereof, and the City shall be unwilling or unable or shall for any reason elect not to repair, reconstruct or replace the damaged or destroyed property forthwith and, in the opinion of the Trustee, such damages shall result in a reduction of the pledged revenues in an amount sufficient to adversely affect the security of the Bonds, then such insurance proceeds shall be applied, at the direction of the City, to redeem or defease Bonds.

Default by Purchaser.

In the event the Purchaser defaults in its obligations under the Power Sales Agreement and the City elects to terminate the agreement, the City covenants and agrees that it will first use its best efforts to find one or more other purchasers for the power generated by the Project. The City further covenants that it will use its best efforts to assure the sales price for such power to any other purchaser or purchasers shall be not less in any given year than an amount sufficient to pay all scheduled debt service on the Bonds, plus 100% percent of the total debt service on the Bonds then outstanding for the immediately following year, plus all costs of operation and maintenance and any other expenses related to the operation of the Project and the servicing of the Bonds.

Investments

All moneys in any of the funds and accounts created under this Amended Indenture shall be invested by the Trustee as directed by the City in writing, subject to further provisions of this Section 7.15. the Trustee may conclusively rely upon such written direction of the City as to any and all investments.

Moneys in the funds and accounts created under this Amended Indenture shall only be invested in Permitted Investments the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder.

Permitted Investments acquired as an investment of moneys in any fund or account created under this Amended Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account at any time in accordance with this Amended Indenture, all Permitted Investments credited to such fund or account shall be valued as follows:

The value of the Permitted Investments shall be determined as follows:

“Value”, which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

- a) as to investments the bid and asked prices of which are published on a regular basis in the Wall Street Journal (or, if not there, then in the New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or the New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;
- c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- d) as to any investment not specified above; the value thereof established by prior agreement between the City, the Trustee and AMBAC Indemnity Corporation.

ARTICLE DEFAULT AND REMEDIES

Defaults.

Any one or more of the following events shall be considered Defaults:

Default shall be made in the payment of any principal, interest or premium on any of the Bonds when the same shall become payable as therein and herein expressed; or

1979 Default shall be made in the observance or performance of any of the other covenants, conditions or obligations in the Bonds or in this Amended Indenture expressed, and the City shall not remedy such default or make good such covenants within ninety (90) days after written notice so to do shall have been served upon the City by the Trustee, which may serve such notice in its discretion and shall serve such notice at the written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then outstanding hereunder and upon being indemnified to its satisfaction; or

Final judgment for the payment of money shall be entered against the City and the City shall not discharge the same or cause it to be discharged, or a stay of execution, to be procured thereon within ninety (90) days from the date such judgment becomes final, or shall not within said period of ninety (90) days or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment was granted, passed or entered.

Acceleration.

The Bonds shall not be subject to acceleration on default.

Payments to Trustee.

The City covenants and agrees in case default shall be made in the payment of any interest on

any Bond, or in case default shall be made in the payment of the principal of any Bond when and as the same shall become payable, whether by lapse of time, by declaration, by call for redemption or otherwise, then upon demand of the Trustee the City will pay to the Trustee, but solely from the Gross Revenues, such amount as shall be sufficient to cover the cost and expense of collection including reasonable compensation to the Trustee, its agents, attorneys and counsel (including attorneys' fees in all trial and appellate courts), and any expense or liability incurred by the Trustee hereunder.

Other Remedies.

Upon the happening of any Default specified in Section 8.1 and its continuance the Trustee may, and upon the written request of the Owners of not less than twenty-five percent (25%) in principal amount of Bonds then outstanding and upon being first indemnified by them to its full satisfaction against costs, loss or liability in the premises, shall institute such suit or suits in equity or at law in any court of competent jurisdiction to enforce and protect any of its rights or the rights of the Owners (or any of them) hereunder as it may be advised by counsel to be appropriate.

Receiver for the Project.

Upon the happening of any Default and its continuance, the Trustee shall be entitled as of right to continue the operation of the Project and to exercise all other rights and powers of receivers in equity in connection therewith.

Waiver of Default.

The Trustee shall, upon the written request of the Owners of the majority in principal amount of the Bonds then outstanding hereunder (exclusive of Bonds then owned by the City) waive any Default hereunder and its consequences and rescind any declaration of maturity of principal, except (a) a Default in the payment of the principal of any of the said Bonds at the date of maturity specified therein, and (b) a Default in the payment of interest unless prior to such waiver or rescission all arrears of interest, with (to the extent legally enforceable) interest (at the same rate per annum as the interest on principal) on overdue installments of interest, and all expenses of the Trustee, shall have been paid or provided for; and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively. No such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon. The Trustee shall be entitled to accept and rely upon a City's certificate as to the amount of Bonds at the time owned by the City.

Direct Owner Action Prohibited.

No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for any remedy hereunder unless such Owner shall previously have given to the Trustee written notice of such Default, and of the continuation thereof as hereinbefore provided, nor unless also the Owners of not less than twenty-five percent (25%) in principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have offered to it a reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and the Trustee shall have refused or

unreasonably delayed to comply with such request, nor unless also they or some one or more of the Owners of the Bonds shall have offered the Trustee security and indemnity to the satisfaction of the Trustee against the costs, expenses and liabilities to be incurred therein or thereby, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any action or cause of action for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of Bonds shall have any right, in any manner whatever, by his or their action to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided, and for the equal benefit of all Owners of such outstanding Bonds.

Rights and Obligations Unconditional.

Nothing in this Amended Indenture or in the Bonds shall, however, affect or impair the obligations of the City which are unconditional and absolute, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the due date in such Bonds as provided in this Amended Indenture, nor affect or impair the right of action, which is also absolute and unconditional of such Owners to enforce such payment against the City as herein provided.

Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein, and every such right and power may be exercised from time to time as often as may be deemed expedient.

Trustee May Enforce Owners' Rights.

All rights of action under this Amended Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the benefit of Owners of the Bonds.

Application of Funds Obtained from Exercise of Remedies.

All money collected by or paid to the Trustee under the provisions of this article, together with any other pledged funds then held by the Trustee, shall be applied at the date fixed by the Trustee for the distribution of such money as follows:

First: 1979 to the payment of the costs and expenses of the collection of such money, including the fees of attorneys and counsel, and of all other expenses and the charges and liabilities incurred and all advances made by the Trustee under this Amended Indenture, as well as just and reasonable compensation for the services of the Trustee.

Second: to the payment of the amounts then due and unpaid upon the Bonds in respect whereof such money shall have been collected, ratably and without preference or priority of any kind, according to the amounts due and payable upon such Bonds, respectively, upon presentation of the several Bonds and stamping such payment thereon, if partly paid, and

upon surrender and cancellation thereof, if fully paid.

Third: to the payment of all other amounts payable by the City under the terms of this Amended Indenture.

8.11.4. Fourth: to the payment of the surplus, if any, to the City, its successors or assigns, or to whomsoever shall be lawfully entitled to receive the same.

No Personal Liability.

No recourse under or upon any obligation, covenant, stipulation or agreement contained in this Amended Indenture or in any Bonds issued hereunder or because of the creation of any indebtedness hereby authorized, shall be had against any officer, agent or employee, past, present or future, of the City, as such, either directly or through the City by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution, statute or other rule of law howsoever established; it being expressly agreed and understood that the Bonds and this Amended Indenture and the obligations hereby created are solely corporate obligations of the City payable only from the properties pledged to the payment thereof and that no personal liability whatsoever shall attach to or be incurred by such officers, agents or employees of the City because of the incurring of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants, stipulations or agreements contained in this Amended Indenture or in any of the Bonds issued hereunder or implied therefrom; and that any and all personal liability of every name and nature and any and all rights and claims against every such officer, agent or employee, whether arising at common law or in equity or created by any constitution, statute or other rule of law, howsoever established, are hereby expressly released and waived as a condition of and as a part of the consideration for the execution and delivery of this Amended Indenture and the issue of the Bonds.

ARTICLE DISCHARGE OF THE AMENDED INDENTURE

Methods of Discharge.

If the City shall pay and discharge all or any portion of the outstanding Bonds in any one or more of the following ways--

By paying or causing to be paid the principal of (including redemption premium, if any) and interest on the Bonds outstanding, as and when the same become due and payable;

By depositing with the Trustee, in trust, at or before maturity, money in the necessary amount to pay or redeem (when redeemable) the Bonds;

By delivering to the Trustee, for cancellation by it, the Bonds; or

By depositing with the Trustee, Governmental Obligations in such a principal amount or maturing in accordance with the terms thereof in such a principal amount which will, together with the income or increment to accrue thereon, at the maturity thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on the Bonds at or before their respective maturity dates;

and if the City shall also pay or cause to be paid all other sums payable hereunder by the City, then, except as provided in Section 9.3 of this Amended Indenture, the rights under this Amended Indenture of the Owners of the Bonds which have been paid and discharged shall cease, terminate, and become null and void, except for the right of those Owners to transfer and

exchange Bonds and their right to be paid from the amounts deposited with the Trustee pursuant to this Article 9.

Disposition of Remaining Funds.

Any money, funds, securities, or other property remaining on deposit in the Bond Account or in any other fund or investment under this Amended Indenture, (other than the Governmental Obligations deposited in trust as above provided) shall, upon the payment and discharge of all Bonds, be transferred to the Gross Revenue Fund.

Outstanding Bonds.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by AMBAC Indemnity Corporation pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of AMBAC Indemnity, and AMBAC Indemnity shall be subrogated to the rights of such Owners.

ARTICLE THE TRUSTEE

Powers.

The Trustee hereby accepts the trusts imposed upon it by this Amended Indenture, but only upon and subject to the terms and conditions hereof including the following:

The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through its attorneys, agents, receivers or employees, and shall be entitled to advice of counsel (who may be counsel for the City) concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof, and the City covenants and agrees to repay upon demand all such outlays and expenditures so incurred.

The Trustee shall not be responsible for any recitals herein or in the Bonds, or for the execution, validity, priority or extension of this or any supplemental or confirmatory agreement; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City or to give notice of any Default therein to anyone except as expressly provided for herein; but the Trustee may, but shall be under no duty to, require of the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid.

The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as a Owner of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee, or submitted to it for inspection and his title established to the satisfaction of the Trustee, if the same be disputed.

The Trustee shall not be compelled to do any act hereunder or to commence or defend any suit in respect hereof unless indemnified to its satisfaction, as often as it shall require,

against loss, cost, liability and expense.

Reliance.

As to the existence or nonexistence of any fact the Trustee shall, except as otherwise herein expressly provided, be entitled to rely upon a City's certificate as sufficient evidence of the facts therein contained, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but it may in its discretion, at the expense of the City, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may in relation to this Amended Indenture act upon the opinion or advice of any attorney, valuator, engineer, accountant or other expert, whether retained by the Trustee, the City or otherwise.

Trustee Not Liable.

The Trustee shall in no case be liable for any action taken or omitted to be taken by it or any of its agents or employees by it appointed or employed in connection with the execution of said trusts, nor in any other manner answerable or accountable under any circumstances whatsoever, except in the event of negligence or want of good faith.

Notice of Default.

The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder other than a Default specified in paragraph 8.1.1. unless specifically notified in writing of such Default by the Owners of not less than twenty-five percent (25%) of the principal amount of the Bonds then outstanding, and all notices or other instruments required by this Amended Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the office of the Trustee.

Acts Permitted to Trustee.

The Trustee may:

Permit any Owner to inspect any statement or certificate filed with the Trustee under the terms of this Amended Indenture.

Buy, sell, own, hold and deal in any of the Bonds and may initiate or join in any action which the Owner may be entitled to take with like effect as if the Trustee were not a party to this Amended Indenture, and may act as a depository of, or as a member of, any committee formed for the protection of the Owners.

Buy, sell, own, hold and deal in any of the notes or Bonds and other evidences of indebtedness of the City, and may maintain any and all other general banking and business relations with the City, with like effect and in the same manner as if the Trustee were not a party to this Amended Indenture.

Except for money deposited in trust hereunder and except as herein otherwise specifically provided, any money received by or deposited with the Trustee under any of the provisions of this Amended Indenture, shall be treated by it until it is required to pay out of the same conformably herewith, as a general deposit, without any liability for interest, save as may be agreed upon in writing by the City and the Trustee.

Compensation.

The Trustee shall be entitled to reasonable compensation for all services by it rendered in the execution of the trusts hereby created, and the City agrees upon demand from time to time, to pay any and all such compensation. The compensation of the Trustee shall not be limited by any provision of law in regard to the compensation of Trustees of an express trust, but shall be in such amounts as shall be separately agreed upon from time to time by the Trustee and the City.

Limitations on Trustee's Obligations.

The Trustee shall not be required to give or enter into any bond or other security in respect to the execution of the said trusts and powers or otherwise in respect of the premises.

The Trustee shall not be responsible for filing or recordation or re-filing or re-recordation of this Amended Indenture or any additional or supplemental agreement hereto.

The Trustee shall be under no duty, obligation or responsibility to see to the payment of any charges which may at any time be levied or assessed against or imposed upon the City. The Trustee shall be under no duty, obligation or responsibility to see to the insurance of any property of the City or itself to effect or maintain any such insurance, or to receive any policies of insurance or proceeds thereto, or make any investigation or inquiry as to the insurer with which the City shall have insured any of its property or as to the terms or amount of any such insurance.

The Trustee shall be under no duty, obligation or responsibility in respect to the use or disposition by the City of any Bonds or in respect to the application of any part of the proceeds thereof.

The Trustee shall be under no duty, obligation or responsibility to obtain any certificate, audit, schedule, statement, report or other instrument by any of the provisions hereof required or directed to be delivered or filed with it; and it shall be under no duty to investigate or verify or make any inquiry in respect to any statement contained in any such instrument or the manner in which any computation therein set forth was made, and shall have no duty of any character with respect thereto, except to exhibit such documents as it may have in its possession or give the same from time to time during reasonable banking hours to any Owner desiring an inspection thereof.

Trustee's Lien on Gross Revenues.

The Trustee shall have a lien on a parity with the rights of the Owners upon all Gross Revenues for its reasonable compensation and expenses, liabilities, advances and counsel fees made or incurred in and about the execution of the trust hereby created and the exercise and performance of the powers and duties of the Trustee hereunder, and the costs and expense of defending against any liability in the premises of any character whatsoever, except for the defense of an action against the Trustee for negligence or want of good faith by the Trustee or its agents or employees resulting in a court decision against the Trustee, and the City hereby covenants and agrees to pay unto the Trustee such compensation and all advances, counsel fees and other expenses reasonably made or incurred in and about the execution of the trusts hereby created, together with interest on such advances at the rate per annum equal to one percent (1%) above the prime rate per annum charged by the Trustee bank on its prime bank loans, and to indemnify and hold the Trustee harmless from and against liabilities incurred by the Trustee hereunder except as specified above.

Resignation.

The Trustee may at any time resign from the trusts hereby created by giving thirty (30) days' written notice to the City and all Registered Owners, or at such shorter period of time as the governing body of the City may accept, and such resignation shall take effect at the end of the shorter of such periods of time. Such notice may be served personally or sent by certified mail.

Merger or Consolidation.

Should the Trustee consolidate or merge with or transfer substantially all of its corporate trust business to any bank or banks, trust company or other banking institution, such consolidation or merger or transfer shall in no way affect the rights of the parties hereto, or the Owners of any of the Bonds, and such succeeding corporation shall be the Trustee hereunder, with the same powers and with the same force and effect as if originally named herein.

Removal.

Upon payment to the Trustee of all its fees, costs, expenses, commissions, disbursements, outlays and liabilities, the Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, and to the City, and signed by the Owners of a majority in principal amount of the Bonds then outstanding.

Appointment of Successors.

In case the Trustee shall resign or be removed or dissolved, or otherwise be or become incapable of acting hereunder, or shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then outstanding by an instrument or concurrent instruments in writing signed by such Owners or by their attorneys in fact, duly authorized; provided, nevertheless that in case of such vacancy or to avoid any such vacancy the City, by an instrument executed by order of its governing body, and signed by its mayor and commissioner of public utilities under its corporate seal, may appoint a temporary Trustee until a successor Trustee shall be appointed by the Owners in the manner above provided; and any such temporary Trustee so appointed by the City shall immediately and without further act be superseded by the Trustee so appointed by such Owners.

Every such successor Trustee so appointed shall be a bank or trust company having a capital and surplus of not less than \$10,000,000.

Any temporary or any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such temporary or successor Trustee, without any further act, deed or conveyance shall become fully vested with all the rights, powers, trust, duties and obligations of its predecessor.

Instruments of Transfer.

The Trustee, or any successor Trustee, ceasing to act shall, nevertheless, on the written request of the City or of the new Trustee and at the cost and expense of the City and upon the payment of all sums owing to it hereunder, execute any and every instrument necessary or convenient and proper to transfer to such new Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee ceasing to act and all money and securities in its possession in respect

thereof, and shall make good and sufficient delivery to the new Trustee, thus fully relieving and discharging the Trustee so ceasing to act from all further liability or responsibility either to the City or to the Registered Owners of any of the Bonds.

Notices.

Any notice to or demand upon the City shall be deemed to have been sufficiently given or served by the Trustee on the City, for all purposes, by being deposited, certified mail, postage prepaid, in the United States mail, addressed (until another address is filed in writing by the City with the Trustee) as follows:

City Auditor
City of Portland
1220 S. W. Fifth Avenue
Portland, Oregon 97204
Attention: Portland Hydroelectric Project

Co-trustees.

At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust estate may at any time be located, the City and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds at the time outstanding, the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons approved by the Trustee either to act as Co-Trustees, jointly with the Trustee of all or any part of the trust estate, or to act as separate Trustee or separate Trustees of all-or any part of the trust estate, and to vest in such person or persons, in such capacity, such title to the trust estate or any part thereof, and such rights, powers, duties, trusts or obligations as the City and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Article 10.

If the City shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

The City shall execute, acknowledge and deliver all such instruments as may be required by any such Co-Trustee or separate Trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such Co-Trustee-Trustee or separate Trustee.

Every Co-Trustee or separate Trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

The Bonds, shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Amended Indenture conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised, solely by the Trustee.

All rights, powers, trusts, duties and obligations conferred or imposed upon the Trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such Co-Trustee or Co-Trustees or separate Trustee or separate Trustees jointly, as shall be provided in the instrument appointing such Co-Trustee-Trustee or Co-Trustee or separate Trustee or separate Trustees, except to the extent that,

under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such Co-Trustee or Co-Trustees or separate Trustee or separate Trustees.

Any request in writing by the Trustee to any Co-Trustee or separate Trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such Co-Trustee or separate Trustee.

Any Co-Trustee or separate Trustee may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

The Trustee at any time, by an instrument in writing, with the concurrence of the City evidenced by a certified ordinance of the governing body of the City, may accept the resignation of or remove any Co-Trustee or separate Trustee appointed under this Section 10.15, and, in case an Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove any such Co-Trustee or separate Trustee without the concurrence of the City. Upon the request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any Co-Trustee or separate Trustee so resigned or removed may be appointed in the manner provided in this Article 10.

No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder.

Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Owners and delivered to the Trustee shall be deemed to have been delivered to each such Co-Trustee or separate Trustee.

Any money, papers, securities or other items of personal property received by any such Co-Trustee or separate Trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such Co-Trustee or separate Trustee, it or he shall be vested with such title to the trust estate or any part thereof, and with such rights, powers, duties, trusts or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such Co-Trustee or separate Trustee to act alone) subject to all the terms of this Amended Indenture. Every such acceptance shall be filed with the Trustee. Any Co-Trustee or separate Trustee may, at any time by an instrument in writing, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any Co-Trustee or separate Trustee shall die, become incapable of acting, resign or be removed, the title to the trust estate, and all rights, powers, trusts, duties and obligations of said Co-Trustee or separate Trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor Co-Trustee or separate Trustee shall be appointed in the manner herein provided.

AMBAC Indemnity Requirements

The following requirements shall apply as long as the Municipal Bond Insurance Policy is in effect:

The Trustee (or Paying Agent) may be removed at any time, at the request of AMBAC Indemnity, for any breach of the Trust set forth herein.

AMBAC Indemnity shall receive prior written notice of any Trustee (or Paying Agent) resignation.

Every successor Trustee appointed pursuant to this Article 10 shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Oregon, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to AMBAC Indemnity. Any successor Paying Agent, if applicable, shall not be appointed unless AMBAC approves such successor in writing.

Notwithstanding any other provisions of this Amended Indenture, no removal, resignation or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to AMBAC, shall be appointed.

ARTICLE MUNICIPAL BOND INSURANCE

Consent of AMBAC Indemnity.

Any provision of this Amended Indenture expressly recognizing or granting rights in or to AMBAC Indemnity may not be amended in any manner which affects the rights of AMBAC Indemnity hereunder without the prior written consent of AMBAC Indemnity.

Consent of AMBAC Indemnity in Addition to Owner Consent.

Unless otherwise provided in this Section 11.2, AMBAC Indemnity's consent shall be required in addition to Owner consent, when required, for the following purposes: (i) execution and delivery of any supplemental Amended Indenture or any amendment, supplement or change to or modification of the Power Sales Agreement, (ii) removal of the Trustee pursuant to Section 10.11 of this Amended Indenture and selection and appointment of any successor trustee pursuant to Section 10.12 of this Amended Indenture; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Owner consent.

Any reorganization or liquidation plan with respect to the City must be acceptable to AMBAC Indemnity. In the event of any reorganization or liquidation, AMBAC Indemnity shall have the right to vote on behalf of all Owners who hold AMBAC Indemnity-insured bonds absent a default by AMBAC Indemnity under the applicable Municipal Bond Insurance Policy insuring such Bonds.

Consent of AMBAC Indemnity Upon Default.

Anything in this Amended Indenture to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, AMBAC Indemnity shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under this Amended Indenture.

Municipal Bond Insurance Policy.

While the Municipal Bond Insurance Policy is in effect, the City shall furnish to AMBAC Indemnity:

- (a) as soon as practicable after the filing thereof, a copy of any financial statement of the City and a copy of any audit and annual report of the City.
- (b) a copy of any notice to be given to the registered owners of the Bonds, including without limitation, notice of any redemption of or defeasance of the Bonds, and any certificate rendered pursuant to this relating to the security for the Bonds; and
- (c) such additional information that AMBAC Indemnity may reasonably request.

Trustee Notification to AMBAC.

The Trustee shall notify AMBAC Indemnity of any failure of the City to provide relevant notices, certificates, etc., required by this Amended Indenture.

Access and Information.

The City will permit AMBAC Indemnity to discuss the affairs, finances and accounts of the City or any information AMBAC Indemnity may reasonable request regarding the security for the Bonds with appropriate officers of the City. The City will permit AMBAC Indemnity to have access to the Project and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

Accounting.

AMBAC Indemnity shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from AMBAC Indemnity shall be deemed with default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

Sufficient Funds.

Notwithstanding any other provision of this Amended Indenture, the Trustee shall immediately notify AMBAC Indemnity if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

Payment Procedures

As long as the bond insurance shall be in full force and effect, the City and the Trustee agree to comply with the following provisions:

- (a) At least one (1) day prior to all interest payment dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the funds and accounts to pay the principal of or interest on the Bonds on such interest payment date. If the Trustee determines that there will be insufficient funds in such funds or accounts, the Trustee shall so notify AMBAC Indemnity. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified AMBAC Indemnity at least one (1) day prior to an interest payment date, AMBAC Indemnity will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which AMBAC Indemnity shall have received notice of nonpayment from the Trustee or Paying Agent, if any.
- (b) The Trustee or Paying Agent, if any, shall, after giving notice to AMBAC Indemnity as provided in (a) above, make available to AMBAC Indemnity and, at AMBAC Indemnity's direction, to the United States Trust Company of New York, as insurance trustee for AMBAC Indemnity or any successor insurance trustee (the "Insurance Trustee"), the registration books of the City maintained by the Trustee or Paying Agent, if any, and all records relating to the funds and accounts maintained under this Amended Indenture.
- (c) The Trustee or Paying Agent, if any, shall provide AMBAC Indemnity and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from AMBAC Indemnity under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from AMBAC Indemnity and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to

receive full or partial principal payments from AMBAC Indemnity.

(d) The Trustee or Paying Agent, if any, shall, at the time it provides notice to AMBAC Indemnity pursuant to (a) above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from AMBAC Indemnity (i) as to the fact of such entitlement, (ii) that AMBAC Indemnity will remit to them all or a part of the interest payments next coming due upon proof of Owner entitlement to interest payments next coming due upon proof of Owner entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right of payment, (iii) that should they be entitled to receive full payment of principal from AMBAC Indemnity, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of AMBAC Indemnity) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, who shall note on such Bonds the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, which will then pay the unpaid portion of the principal.

(e) In the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to a Owner by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time of AMBAC Indemnity is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from AMBAC Indemnity to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to AMBAC Indemnity its records evidencing the payments of principal of and interest on the Bond which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted AMBAC Indemnity under this Amended Indenture, AMBAC Indemnity shall, to the extent it make payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, upon receipt from AMBAC Indemnity of proof of the payment of interest thereon to the registered owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note AMBAC Indemnity's rights as subrogee on the registration books of the City maintained by the Trustee or Paying Agent, if any, upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

AMBAC as Third-Party Beneficiary.

To the extent that this Amended Indenture confers upon or gives or grants to AMBAC any right,

remedy or claim under or by reason of this Amended Indenture, AMBAC is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Parties Interested Herein.

Nothing in this Amended Indenture expressed or implied is intended or shall be construed to confer upon, or give to grant to, any person or entity, other than the City, the Trustee, AMBAC Indemnity, the Paying Agent, if any, and the registered owners of the Bonds, any right, remedy or claim or by reason of this Amended Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Amended Indenture contained by and on behalf of the City and shall be for the sole and exclusive benefit of the City, the Trustee, AMBAC Indemnity, the Paying Agent, if any, and the registered owners of the Bonds.

ARTICLE RENEWAL AND REPLACEMENT FUND

The Trustee shall establish and maintain a Renewal and Replacement Fund for the benefit of the City and the Purchaser, and not for the benefit of the Owners. The Renewal and Replacement Fund shall be initially funded with the amounts available in the “Renewal and Replacement Fund” held under the 1979 Indenture.

All net proceeds from the disposition of any part of the Project shall be paid to the Trustee and deposited in the Renewal and Replacement Fund. Amounts in the Renewal and Replacement Fund shall be used only for the purposes described in this Article 12.

In addition, on the twentieth day of each month, beginning ____, 2002, after making the transfers to the Bond Account described in Section 4.3, the Trustee shall transfer to the Renewal and Replacement Fund the amounts described in Section 2(a)(3) of the Power Sales Agreement.

Funds on deposit in the Renewal and Replacement Fund shall be used first to make up any deficiencies in the Bond Account, and secondly for any repairs, renewal or replacements of the Project or for replacement or purchase of equipment or property for use in its operations as designated in a written request by the City to the Trustee. Any interest earned on investment of amounts in the Renewal and Replacement Fund shall be credited to the Renewal and Replacement Fund. When this Amended Indenture is discharged, any amounts in the Renewal and Replacement Fund shall be divided equally between the City and the Purchaser, if the resultant of the aggregate share of the savings element less any negative share of the savings element (as defined in the Power Sales Agreement) remaining to be offset is a positive number.

ARTICLE AMENDMENT OF INDENTURE

The City and the Trustee may amend or change this Amended Indenture without the consent of Owners or AMBAC Indemnity to issue additional Bonds. The Trustee and the City shall not amend this Amended Indenture to change the dates or amounts payable under the Bonds, or this Article 12, without the consent of all affected Owners. The Trustee and the City make any other changes only with the consent or approval of AMBAC Indemnity.

ARTICLE MISCELLANEOUS PROVISIONS

Successors and Assigns.

All covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf or for the benefit of the City shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Rights Limited to Parties and Owners.

Nothing in this Amended Indenture, expressed or implied, is intended or shall be construed to confer upon, or give to any person, association or corporation, other than the parties hereto, the Co-Trustee, if any, and the Owners from time to time of the Bonds of any series, and their successors and assigns, any security, rights, remedies or claims, legal or equitable, under or by reason hereof, or any covenant, condition or stipulation hereof; and this Amended Indenture and all the covenants and agreements herein contained are and shall be held to be for the sole and exclusive benefit of the parties hereto, the Co-Trustee-Trustee, if any, and the Owners from time to time of the Bonds and their successors and assigns.

Rules of Construction.

Unless the context clearly requires a different construction:

References to Section which do not state the document in which the section is located shall be construed as references to this Amended Indenture.

References to the plural shall include the singular, and references to the singular shall include the plural.

References to any gender shall include all genders.

IN WITNESS WHEREOF, the City of Portland, Oregon has caused this Amended Indenture to be signed in its behalf, in its corporate name, by its Debt Manager, and First Trust National Association, Portland, Oregon has caused this Amended Indenture to be signed in its behalf, in its corporate name, by one of its trust officers, all as of the day and year first above written.

CITY OF PORTLAND, OREGON

By _____
Debt Manager

U.S. Bank National Association

Portland, Oregon, as Trustee

By _____
Trust Officer