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COUNTER PART No. 9

Vol. 1785 Page 6165

CASCADE NATURAL GAS CORPORATION

TO

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION)
AND

J. A. PAYNE

As Trustees

FORTY-SECOND SUPPLEMENTAL INDENTURE

Dated as of April 1, 1985

TO

FIRST MORTGAGE AND DEED OF TRUST

Dated as of April 1, 1956

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Supplementing the First Mortgage and Deed of Trust dated as of April 1, 1956 (as supplemented by the First Supplemental Indenture dated as of October 15, 1956, the Second Supplemental Indenture dated as of April 1, 1957, the Third Supplemental Indenture dated as of October 15, 1957, the Fourth Supplemental Indenture dated as of April 1, 1958, the Fifth Supplemental Indenture dated as of August 15, 1959, the Sixth Supplemental Indenture dated as of March 17, 1960, the Seventh Supplemental Indenture dated as of January 31, 1961, the Eighth Supplemental Indenture dated as of August 15, 1961, the Ninth Supplemental Indenture dated as of April 15, 1962, the Tenth Supplemental Indenture dated as of August 28, 1962, the Eleventh Supplemental Indenture dated as of April 15, 1963, the Twelfth Supplemental Indenture dated as of December 27, 1963, the Thirteenth Supplemental Indenture dated as of March 20, 1964, the Fourteenth Supplemental Indenture dated as of April 20, 1965, the Fifteenth Supplemental Indenture dated as of December 1, 1965, the Sixteenth Supplemental Indenture dated as of April 15, 1966, the Seventeenth Supplemental Indenture dated as of April 15, 1967, the Eighteenth Supplemental Indenture dated as of April 15, 1968, the Nineteenth Supplemental Indenture dated as of July 1, 1968, the Twentieth Supplemental Indenture dated as of April 21, 1969, the Twenty-First Supplemental Indenture dated as of June 16, 1969, the Twenty-Second Supplemental Indenture dated as of March 15, 1970, the Twenty-Third Supplemental Indenture dated as of January 1, 1971, the Twenty-Fourth Supplemental Indenture dated as of January 1, 1972, the Twenty-Fifth Supplemental Indenture dated as of April 15, 1973, the Twenty-Sixth Supplemental Indenture dated as of June 1, 1973, the Twenty-Seventh Supplemental Indenture dated as of March 1, 1974, the Twenty-

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Eighth Supplemental Indenture dated as of January 1, 1975, the Twenty-Ninth Supplemental Indenture dated as of August 1, 1975, the Thirtieth Supplemental Indenture dated as of January 1, 1976, the Thirty-First Supplemental Indenture dated as of March 1, 1977, the Thirty-Second Supplemental Indenture dated as of June 15, 1977, the Thirty-Third Supplemental Indenture dated as of April 1, 1978, the Thirty-Fourth Supplemental Indenture dated as of April 1, 1979, the Thirty-Fifth Supplemental Indenture dated as of April 1, 1980, the Thirty-Sixth Supplemental Indenture dated as of August 15, 1980, the Thirty-Seventh Supplemental Indenture dated as of April 1, 1981, the Thirty-Eighth Supplemental Indenture dated as of April 1, 1982, the Thirty-Ninth Supplemental Indenture dated as of October 1, 1982, the Fortieth Supplemental Indenture dated as of April 1, 1983, and the Forty-First Supplemental Indenture dated as of April 1, 1984), from Cascade Natural Gas Corporation to The Chase Manhattan Bank (now The Chase Manhattan Bank (National Association)) and Fred F. Voorhees (now J. A. Payne), as Trustees, and Subjecting Certain Property to the Lien of Said First Mortgage and Deed of Trust.

FORTY-SECOND SUPPLEMENTAL INDENTURE, dated as of April 1, 1985, between CASCADE NATURAL GAS CORPORATION, a corporation duly organized and existing under the laws of the State of Washington (hereinafter sometimes called the Company), party of the first part, and THE CHASE MANHATTAN BANK (National Association), a national banking association existing under the laws of the United States of America (formerly The Chase Manhattan Bank), and J. A. PAYNE (as successor to FRED F. VOORHEES), as Trustees under the First Mortgage and Deed of Trust dated as of April 1, 1956 (hereinafter called the Original Indenture), as amended and supplemented by the First Supplemental Indenture dated as of October 15, 1956, the Second Supplemental Indenture dated as of April 1, 1957, the Third Supplemental Indenture dated as of October 15, 1957, the Fourth Supplemental Indenture dated as of April 1, 1958, the Fifth Supplemental Indenture dated as of August 15, 1959, the Sixth Supplemental Indenture dated as of March 17, 1960, the Seventh Supplemental Indenture dated as of January 31, 1961, the Eighth Supplemental Indenture dated as of August 15, 1961, the Ninth Supplemental Indenture dated as of April 15, 1962, the Tenth Supplemental Indenture dated as of August 28, 1962, the Eleventh Supplemental Indenture dated as of April 15, 1963, the Twelfth Supplemental Indenture dated as of December 27, 1963, the Thirteenth Supplemental Indenture dated as of March 20, 1964, the Fourteenth Supplemental Indenture dated as of April 20, 1965, the Fifteenth Supplemental Indenture dated as of December 1, 1965, the Sixteenth Supplemental Indenture dated as of April 15, 1966, the Seventeenth Supplemental Indenture dated as of April 15, 1967, the Eighteenth Supplemental Indenture dated as of April 15, 1968, the Nineteenth Supplemental Indenture dated as of July 1, 1968, the Twentieth

Supplemental Indenture dated as of April 21, 1969, the Twenty-First Supplemental Indenture dated as of June 16, 1969, the Twenty-Second Supplemental Indenture dated as of March 15, 1970, the Twenty-Third Supplemental Indenture dated as of January 1, 1971, the Twenty-Fourth Supplemental Indenture dated as of January 1, 1972, the Twenty-Fifth Supplemental Indenture dated as of April 15, 1973, the Twenty-Sixth Supplemental Indenture dated as of June 1, 1973, the Twenty-Seventh Supplemental Indenture dated as of March 1, 1974, the Twenty-Eighth Supplemental Indenture dated as of January 1, 1975, the Twenty-Ninth Supplemental Indenture dated as of August 1, 1975, the Thirtieth Supplemental Indenture dated as of January 1, 1976, the Thirty-First Supplemental Indenture dated as of March 1, 1977, the Thirty-Second Supplemental Indenture dated as of June 15, 1977, the Thirty-Third Supplemental Indenture dated as of April 1, 1978, the Thirty-Fourth Supplemental Indenture dated as of April 1, 1979, the Thirty-Fifth Supplemental Indenture dated as of April 1, 1980, the Thirty-Sixth Supplemental Indenture dated as of August 15, 1980, the Thirty-Seventh Supplemental Indenture dated as of April 1, 1981, the Thirty-Eighth Supplemental Indenture dated as of April 1, 1982, the Thirty-Ninth Supplemental Indenture dated as of October 1, 1982, the Fortieth Supplemental Indenture dated as of April 1, 1983 and the Forty-First Supplemental Indenture dated as of April 1, 1984, of the Company (the Original Indenture as amended and supplemented by said First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth, Seventeenth, Eighteenth, Nineteenth, Twentieth, Twenty-First, Twenty-Second, Twenty-Third, Twenty-Fourth, Twenty-Fifth, Twenty-Sixth, Twenty-Seventh, Twenty-Eighth, Twenty-Ninth, Thirtieth, Thirty-First, Thirty-Second, Thirty-Third, Thirty-Fourth, Thirty-Fifth, Thirty-Sixth, Thirty-Seventh, Thirty-Eighth, Thirty-Ninth, Fortieth and Forty-First Supplemental Indentures being hereinafter sometimes called the Indenture as Heretofore Amended, and the Indenture as Heretofore Amended, as amended and supplemented by this Forty-Second Supplemental Indenture and as it may hereafter be supplemented, modified or amended, being hereinafter sometimes called the Indenture), parties of the second part.

WHEREAS, The Chase Manhattan Bank is now The Chase Manhattan Bank (National Association); and the continuity of the business of The Chase Manhattan Bank, including its business of acting as corporate trustee, and its corporate existence, have not been affected, so that The Chase Manhattan Bank (National Association) is vested with all the trusts, powers, discretion, immunities, privileges and all other matters as were vested in said The Chase Manhattan Bank under the Indenture, with like effect as if originally named as Trustee therein;

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WHEREAS, Fred F. Voorhees resigned as Individual Trustee under the Indenture and was duly succeeded by J. A. Payne as Individual Trustee effective November 17, 1966, so that J. A. Payne is vested with all the estates, properties, rights, powers, trusts, duties and obligations of said Fred F. Voorhees under the Indenture, with like effect as if originally named as Individual Trustee therein;

WHEREAS, the Company has been authorized by law and has deemed it necessary to borrow money for its proper corporate purposes, to issue its bonds therefor and to mortgage and pledge its properties in order to secure the payment thereof, and to that end, in the exercise of such authority, the Board of Directors of the Company has duly authorized the execution and delivery of the Indenture as Heretofore Amended to provide for bonds to be issued thereunder from time to time in one or more series unlimited in aggregate principal amount at any one time outstanding (hereinafter called the Bonds), to secure the payment of the principal of, and the interest and premium, if any, on the Bonds and to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, and has duly authorized the creation, execution and delivery under the Indenture as Heretofore Amended of twelve series of Bonds: one designated "First Mortgage 4-7/8% (originally 4-5/8%) Twenty-year Bonds, Series A, Due April 1, 1976" (hereinafter called Series A Bonds or Bonds of Series A), limited to the aggregate principal amount of \$9,100,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 4-7/8% Bonds, Series B, Due April 1, 1978" (hereinafter called Series B Bonds or Bonds of Series B), limited to the aggregate principal amount of \$643,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 6% Bonds, Series C, Due October 1, 1978" (hereinafter called Series C Bonds or Bonds of Series C), limited to the aggregate principal amount of \$2,429,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 5-3/4% Twenty-year Bonds, Series D, Due April 1, 1982" (hereinafter called Series D Bonds or Bonds of Series D), limited to the aggregate principal amount of \$2,500,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 5-1/8% Twenty-year Bonds, Series E, Due April 1, 1984" (hereinafter called Series E Bonds or Bonds of Series E), limited to the aggregate principal amount of \$6,000,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 5-1/2% Twenty-year Bonds, Series F, Due April 1, 1986" (hereinafter called Series F Bonds or Bonds of Series F), limited to the aggregate principal amount of \$12,500,000 (none of which are outstanding at the date hereof); another designated "First Mortgage 7-1/2% Twenty-year Bonds, Series G, Due October 1, 1988" (hereinafter called Series G Bonds or Bonds of Series G), limited to the aggregate principal amount of \$7,000,000 (of which \$2,247,000

are outstanding at the date hereof); another designated "First Mortgage 8% Twenty-year Bonds, Series H, Due June 15, 1989" (hereinafter called Series H Bonds or Bonds of Series H), limited to the aggregate principal amount of \$5,000,000 (of which \$1,607,000 are outstanding at the date hereof); another designated "First Mortgage 8-1/2% Twenty-year Bonds, Series I, Due December 15, 1989 (originally June 15, 1993)" (hereinafter called Series I Bonds or Bonds of Series I), limited to the aggregate principal amount of \$14,000,000 (of which \$6,500,000 are outstanding at the date hereof); another designated "First Mortgage 12% Ten-year Bonds, Series J, Due August 1, 1985" (hereinafter called Series J Bonds or Bonds of Series J), limited to the aggregate principal amount of \$6,000,000 (of which \$1,500,000 are outstanding at the date hereof); another designated "First Mortgage 9-1/2% Thirteen and one-half year Bonds, Series K, Due December 15, 1990" (hereinafter called Series K Bonds or Bonds of Series K), limited to the aggregate principal amount of \$3,000,000 (of which \$1,661,426 are outstanding at the date hereof); and another designated "First Mortgage 15-1/2% Twelve-year Bonds, Series L, Due August 15, 1992" (hereinafter called Series L Bonds or Bonds of Series L), limited to the aggregate principal amount of \$7,500,000 (of which \$7,000,000 are outstanding at the date hereof);

WHEREAS, the Company desires by this Forty-Second Supplemental Indenture to set forth the description of, confirm unto the Trustees and give further assurance to the Trustees with respect to, certain properties and interests in properties described in the Granting Clauses of this Forty-Second Supplemental Indenture which were acquired by the Company after the date of the Indenture as Heretofore Amended and which were generally described but not specifically described in the Indenture as Heretofore Amended;

WHEREAS, Article Eleven of the Indenture as Heretofore Amended provides, in substance and among other things, that the Company and the Trustees may, subject to certain conditions, enter into an indenture or indentures supplemental to the Indenture as Heretofore Amended which thereafter shall form a part of the Indenture as Heretofore Amended;

WHEREAS, all acts and things prescribed by law and by the articles of incorporation and bylaws of the Company and by the Indenture as Heretofore Amended necessary to make this Forty-Second Supplemental Indenture a valid and legally binding instrument, for the purposes herein expressed, in accordance with its terms and the terms of the Indenture as Heretofore Amended, have been duly done and performed; and

WHEREAS, the Trustees have full power and authority to execute this Forty-Second Supplemental Indenture and to accept and execute the trust herein imposed upon them;

NOW, THEREFORE, THIS FORTY-SECOND SUPPLEMENTAL INDENTURE WITNESSETH that, as additional security for the payment of the principal of, and the interest and premium, if any, on, all the Bonds at any time issued and outstanding under the Indenture, according to their tenor, purport and effect, and as additional security for the performance and observance by the Company of all the covenants and conditions in the Indenture and in the Bonds contained, and for and in consideration of the premises and of the mutual covenants herein contained and of the acceptance or purchase of the Bonds by the holders thereof and of the sum of Ten Dollars, lawful money of the United States of America, to the Company duly paid by the Trustees at or before the ensealing and delivery of this Forty-Second Supplemental Indenture, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Forty-Second Supplemental Indenture and has granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over, warranted and confirmed, and by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over, warrant and confirm unto The Chase Manhattan Bank (National Association) and J. A. Payne, as Trustees, their successors in trust and their assigns, forever, with power of sale, all and singular, the following additional premises, properties, interests and rights; and to such ends the Company hereby adds to and supplements, as below set forth, the Granting Clauses of the Indenture as Heretofore Amended.

GRANTING CLAUSE II

LEASES AND LEASEHOLD ESTATES

The right, title and interest of the Company in and to the properties leased to the Company and the improvements thereon, including but not limited to the following:

State of Oregon Umatilla County

Lease dated February 1, 1984, recorded March 12, 1984 at Reel 111, Page 265 File No. 100045 of the records of the Auditor of Umatilla County, Oregon, by and between City of Pendleton, Oregon, a municipal corporation to the Company, on real property more particularly described as follows:

A parcel of land located in South Half of Section 32, Township 3 North, Range 32, and in North Half of Section 5, Township 2 North, Range 32, E. W. M., and described as follows:

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Beginning at a 3 inch diameter pipe with brass cap set at
Northwesterly corner of said Section 5; thence North 89°
51' 05" East along Northerly line of said Section 5 a
distance of 1863.79 feet to the true point of beginning;
thence North 0° 15' 44" West a distance of 29.03 feet;
thence North 89° 44' 16" East a distance of 209.76 feet;
thence South 0° 15' 44" East a distance of 163.10 feet;
thence South 89° 44' 16" West a distance of 209.76 feet;
thence North 0° 15' 44" a distance of 134.07 feet to the
true point of beginning;

All being East of the Willamette Meridian, Umatilla
County, Oregon.

Umatilla County

Lease dated December 27, 1984, recorded December 27, 1984
at Reel 120, Page 1514 of the records of the Umatilla County
Clerk, by and between Robert E. Hart and Darel M. Swenson,
Lessors, and the Company, on real property more particularly
described as follows:

That portion of which is commonly known as Block "I",
South Pendleton and Reservation Addition to the City of
Pendleton, and described as follows:

Beginning at the intersection with the Southwesterly
right of way line of S.E. 4th Street (formerly College
Street) and the Northerly right of way line of S.E.
Frazer Avenue (formerly Railroad Street); thence North-
westerly along the Southwest margin of S.E. 4th Street a
distance of 100 feet; thence Southwesterly and parallel
with S.E. Frazer Avenue a distance of 100 feet; thence
Southeasterly and parallel with S.E. 4th Street a dis-
tance of 72 feet more or less to the Northerly right of
way margin of relocated S.E. Frazer Avenue as described
in Book 269, Page 26, Deed of Records; thence South-
easterly and Northeasterly along the Northerly margin of
S.E. Frazer Avenue a distance of 110 feet more or less to
the Point of Beginning.

TOGETHER WITH an easement for ingress and egress over the
following described property:

Beginning at the intersection with the Southwesterly
right of way line of S.E. 4th Street (formerly College
Street) and the Northerly right of way line of S.E.
Frazer Avenue (formerly Railroad Street); thence North-
westerly along the Southwest margin of S.E. 4th Street a
distance of 100 feet; thence Southwesterly and parallel
with S.E. Frazer Avenue a distance of 100 feet to the
True Point of Beginning; thence Southeasterly and paral-

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lel with S.E. 4th Street a distance of 72 feet more or less to the Northerly right of way margin of relocated S.E. Frazer Avenue as described in Book 269, Page 26, Deed Records; thence Northwesterly along the North right of way margin of relocated S.E. Frazer Avenue and Lots 8 and 9 of said Block "I" to the Easterly right of way margin of S.E. 3rd Street; thence Northwesterly along said right of way a distance of 12 feet more or less to the Northwest corner of Lot 9; thence Northeasterly a distance of 100 feet to the True Point of Beginning.

Situate in the County of Umatilla; State of Oregon.

Baker County

Modification of Lease, dated March 20, 1984, recorded April 24, 1984 in Deed 84 16 054 of the records of the Auditor of Baker County, Oregon, by and between the Henry Wong Trust and the Annie Wong Trust, Lessors, to the Company on real property more particularly described as follows:

The whole of the ground floor room and basement of the premises located in the South Half of Lot 4, Block 4, in and of Fisher's Addition to Baker City, now City of Baker, Baker County, Oregon, the Leased premises bearing street address of 2024 Main Street, Baker, Oregon.

State of Washington
Kitsap County

Lease dated September 19, 1984, recorded September 25, 1984 at Reel 320, Frame 2050, File No. 8409250029 of the records of the Auditor of Kitsap County, Washington, by and between North Perry Avenue Water District, Lessor, to the Company, on real property more particularly described as follows:

That portion of the Southwest quarter of the Southeast quarter of Section 36, Township 25 North, Range 1 East, W.M., included within the limits of the following described tract of land:

Beginning at a point within said Southwest quarter of the Southeast quarter which is 30 feet North of and 30 feet East of the South quarter section of said Section 36, and running thence North 200 feet, East 200 feet, South 20 feet and thence West 200 feet to the point of beginning and having an area of 0.92 acres, according to the plat thereof on file in the office of the Commissioners of Public Lands at Olympia, Washington.

Situate in the County of Kitsap; State of Washington.

Kitsap County

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Lease Addendum dated December 5, 1984, recorded at Reel 331, Frame 1068, File No. 8502010006 of the records of the Auditor of Kitsap County, Washington, by and between Keith Uddenberg, Landlord, and the Company, on real property more particularly described as follows:

That portion of the North half of the Northeast quarter of Section 31, Township 24 North, Range 2 East, W.M., in Kitsap County, Washington, described as follows:

Beginning at the North quarter corner of said Section 31; thence along the North line of said Section 31, South 89° 44' 27" East 1020.62 feet to a point which is 18 rods West of the Northeast corner of the Northwest quarter of the Northeast quarter of said Section 31; thence South 0° 08' 30" East 22.74 feet to the South right-of-way line of State Highway No. 160 (formerly State Highway No. 14); thence continuing South 0° 08' 30" East 250.00 feet to the true point of beginning; thence South 89° 46' 47" East 110.00 feet; thence North 0° 08' 30" West 194.00 feet; thence North 89° 46' 47" West 110.00 feet to the true point of beginning;

TOGETHER WITH an easement for ingress and egress and for underground utility line purposes over the West 30 feet of the following described tract:

That portion of the North half of the Northeast quarter of Section 31, Township 24 North, Range 2 East, W.M., in Kitsap County, Washington, described as follows:

Beginning at the North quarter corner of said Section 3; thence along the North line of said Section 31, South 89° 44' 27" East 1020.62 feet to a point which is 18 rods West of the Northeast corner of the Northwest quarter of the Northeast quarter of said Section 3; thence South 0° 08' 30" East 22.74 feet to the South right-of-way line of State Highway No. 160 (formerly State Highway No. 14); thence along said South right-of-way South 89° 46' 47" East 264.59 feet to the true point of beginning; thence South 0° 08' 40" East 135.00 feet; thence South 89° 46' 47" East 195.00 feet; thence South 0° 08' 40" East 502.87 feet; thence North 89° 47' 55" West 349.62 feet; thence North 0° 08' 30" West 637.99 feet to said South right-of-way; thence South 89° 46' 47" East 154.59 feet to the true point of beginning.

GRANTING CLAUSE V

FRANCHISES

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All franchises, permits, privileges, grants, consents, licenses, authorizations and approvals granted by the State of Washington or departments or agencies thereof, the State of Oregon or departments or agencies thereof, or other governmental or public bodies or authorities, to the Company in connection with operations carried on and to be carried on by it with reference to the lands and property herein as well as elsewhere within the Indenture described, whether now owned or hereafter acquired by the Company (subject, in the case of each franchise, permit, privilege, grant, consent, license, authorization and approval, to all the terms, conditions and provisions thereof), including but not limited to the following franchise, copies of which have been certified by the Secretary or an Assistant Secretary of the Company and delivered to the Corporate Trustee:

STATE OF OREGON
Deschutes County

Franchise No. 84-022, dated February 29, 1984 from the County Commissioners of Deschutes County, Oregon to the Company a franchise to construct, operate and maintain a natural gas distribution system in, over, along and under public rights of way within unincorporated Deschutes County, Oregon, and County roads within Deschutes County, Oregon.

STATE OF WASHINGTON
Walla Walla County

Franchise No. 2824 RENEWAL dated February 27, 1984 from Washington State Department of Transportation to the Company for a franchise to operate and maintain an existing buried two-inch natural gas line on a portion of State Route No. 124 in Walla Walla County, Washington.

Whatcom County

Utility Franchise No. 4047 Amendment 2 dated August 22, 1984 from Washington State Department of Transportation to the Company for a franchise to construct, operate and maintain a two-inch gas pipeline on a portion of State Route No. 542 in Whatcom County, Washington.

Kitsap County

Franchise No. 5114 Amendment No. 1 dated November 6, 1984 from Washington State Department of Transportation to the Company for a franchise to construct, operate and maintain a two-

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inch natural gas pipeline on a portion of State Route No. 3 in Kitsap County, Washington.

Skagit County

Ordinance No. 1002 dated April 11, 1984 from the City of Sedro-Woolley, State of Washington to the Company the right and privilege to use and occupy the streets, avenues, lanes, alleys, highways and other public places of the City for the purpose of supplying, distributing and selling gas to the inhabitants of the City and elsewhere; the right and privilege of constructing, and thereafter maintaining a gas works, mains, service pipes and other necessary equipment in said City, for the distribution of gas for fuel, power, heat and other purposes.

Cowlitz County

Ordinance No. 692 dated May 7, 1984 from the City of Kalama, State of Washington to the Company for the right and privilege to use and occupy the streets, avenues, lanes, alleys, highways and other public places of the City for the purpose of supplying, distributing and selling gas to the inhabitants of the City and elsewhere; and the right and privilege of constructing, and thereafter maintaining a gas works, mains, service pipes and other necessary equipment in said City, for the distribution of gas for fuel, power, heat and other purposes.

GRANTING CLAUSE VI

CONTRACTS FOR THE PURCHASE OR EXCHANGE OF GAS

Exhibits "A" and "B" to Service Agreement dated June 16, 1984 executed by Northwest Pipeline Corporation on July 23, 1984 between Northwest Pipeline Corporation and Cascade Natural Gas Corporation.

Gas Purchase Contract I dated October, 1984 by and between Cascade Natural Gas Corporation and Dome Petroleum Limited.

GRANTING CLAUSE VII

CONTRACTS FOR THE SALE OF GAS

All the right, title and interest of the Company under, in and to the following-described contracts for the sale of gas by the Company, copies of which, certified by the Secretary or an Assistant Secretary of the Company, have been delivered to the Corporate Trustee:

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Combination Firm and Interruptible Industrial Natural Gas Service Agreement dated May 23, 1984, by and between Cascade Natural Gas Corporation and Washington Beef, Inc. for natural gas service for the operation of their plant located on Fort Road in Toppenish, Yakima County, Washington.

Firm Gas Contract dated June 1, 1984 by and between Cascade Natural Gas Corporation and Witco Chemical Corporation-Inorganic Specialties Division for natural gas service for the use in firing rotary kiln, heaters and all other uses as may be required from time to time for plant located at 123 East Division Street, Quincy, Washington.

Interruptible Industrial Natural Gas Service Agreement dated July 2, 1984 by and between Cascade Natural Gas Corporation and the Sovereign State, Washington, Department of Social and Health Services, at the Washington State Penitentiary, Walla Walla, Washington for firing its boiler and any other uses as may be required from time to time.

Firm Natural Gas Service Contract dated November 26, 1984 by and between Cascade Natural Gas Corporation and Tree Top, Incorporated for juice plant located at Selah, Washington.

Firm Natural Gas Service Contract dated November 26, 1984 by and between Cascade Natural Gas Corporation and Tree Top, Incorporated - Ross Packing Division of Selah, Washington for packing plant located in Selah, Washington.

Interruptible Industrial Natural Gas Service Agreement dated December 19, 1984 by and between Cascade Natural Gas Corporation and Whatcom Builders, Inc., Bellingham, Washington, for plant located at 1851 E. Laurel Road, Ferndale, Washington.

Amendment to Interruptible Industrial Natural Gas Service Agreement dated December 17, 1981 effective May 1, 1984 between Longview Fibre Company and Cascade Natural Gas Corporation for buyer's plant located in Longview, Cowlitz County, Washington.

Amendment to Interruptible Industrial Natural Gas Service Agreement dated February 1, 1985, original contract dated February 2, 1977, between Texaco Inc., and Cascade Natural Gas Corporation for buyer's plant located near Anacortes, Skagit County, Washington.

Supplemental Agreement dated March 6, 1985 by and between Cascade Natural Gas Corporation and UI Group, Inc., previously U and I Incorporated for natural gas service to plant located at Boardman, Oregon.

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Amendment to Combination Firm and Interruptible Industrial Natural Gas Service Agreement dated March 1, 1985 by and between Cascade Natural Gas Corporation, as Seller, and Atlantic Richfield Company, as Buyer for natural gas supply to Buyer's Cherry Point Refinery located near Ferndale, Washington.

GRANTING CLAUSE XI

OTHER PROPERTY

Together with but not limited to (a) all the buildings, plants, dwelling structures, machinery and improvements constructed or to be constructed on the properties described in the Granting Clauses of this Forty-Second Supplemental Indenture or any portion thereof, and all rights, privileges, licenses, permits, immunities and easements of any kind and nature appurtenant thereto, and all and singular the tenements, hereditaments and appurtenances whatsoever belonging to said properties or any part thereof or in anywise appertaining thereto, and the reversions and remainders thereof, whether any of the same are now owned or are hereafter acquired; and (b) any and all estates, rights-of-way, easements, franchises, ordinances, privileges, immunities, commitments, consents, permits, leases, licenses and license agreements, now owned or which hereafter shall be acquired by the Company, together with all of the appurtenances, rights and appliances, connected with and/or appertaining to the properties described in the Granting Clauses of this Forty-Second Supplemental Indenture, which the Company now owns or in which it has any interest or which it may hereafter acquire, or any part thereof. The specific description of additional properties herein or in any supplemental indenture forming a part of the Indenture as Heretofore Amended shall not be construed or deemed in any way to amend or otherwise limit the scope of the Granting Clauses hereof or of the Indenture as Heretofore Amended.

GRANTING CLAUSE XII

PROPERTY, INTEREST AND RIGHTS REQUIRED TO BE MORTGAGED

Any and all other property, interests and rights of every kind, real or personal or mixed, including excepted property, which the Company is required by the provisions of the Indenture from time to time to grant, bargain, sell, alien, remise, release, convey, confirm, warrant, assign, mortgage, pledge, transfer, deliver or set over to the Trustees, or either of them, or which from time to time hereafter may be granted, bargained, sold, aliened, remised, released, conveyed, confirmed, warranted, assigned, mortgaged, pledged, transferred,

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delivered or set over by the Company, or by anyone in its behalf, to the Trustees, or either of them, who are hereby authorized at any and all times to receive any such property, interests and rights for the purposes hereof as and for additional security hereunder, and also (when and as hereafter provided), as substituted security, for the Bonds secured by the Indenture, and to hold or apply any and all such property, interests and rights subject to the terms of the Indenture.

TOGETHER WITH all and singular the reversions and remainders, and (subject to the rights of the Company in the Indenture set forth) the tolls, earnings, income, rents, revenues, issues and profits now or hereafter belonging or in anywise appertaining to any of the property described in or covered by the foregoing Granting Clauses (which assignment of the tolls, earnings, income, rents, revenues, issues and profits shall run with the land and be good and valid as against the Company or those claiming through or under it), and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, which the Company may now have or may hereafter acquire in and to the same and every part and parcel thereof with the appurtenances thereto and proceeds thereof.

Title to all property and interests in property, real or personal or mixed, mortgaged hereby or intended so to be, hereafter acquired by the Company or to which it may at any time hereafter be, in any manner, entitled in law or in equity, and required to be subject hereto or intended so to be by the provisions hereof, shall vest in the Trustees, under the terms and conditions of the Indenture, forthwith upon acquisition thereof by the Company and such property and interests in property shall be as fully embraced within the provisions of the Indenture and subject to the lien thereof as if such property and interests in property were now owned by the Company and were specifically described herein and conveyed hereby.

EXCEPTIONS

THERE IS, HOWEVER, EXPRESSLY EXCEPTED, RESERVED AND EXCLUDED from the lien and operation of the Indenture all property now owned or hereafter acquired by the Company described in subparagraphs (a) through (g) under the heading "Exceptions" following the Granting Clauses of the Indenture, as provided in such subparagraphs; provided, however, that (i) if, upon the occurrence of any of the Events of Default, the Trustees or any Receiver shall have entered into possession of the Trust Estate or a substantial part thereof (other than Securities or cash deposited or pledged with the Trustees as part of the Trust Estate) all of the property then owned or

thereafter acquired by the Company of the character excepted from the lien of the Indenture by subparagraphs (a) through (f) under the heading "Exceptions" following the Granting Clauses of the Indenture shall immediately, or, by subparagraph (g) under the heading "Exceptions" following the Granting Clauses of the Indenture, shall upon demand of the Trustees or such Receiver, become subject to the lien of the Indenture to the extent permitted by law, and the Trustees or such Receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and (ii) whenever all Events of Default shall have been cured and the possession of the Trust Estate (other than Securities and cash forming a part thereof) shall have been restored to the Company, any property of the character described in such subparagraphs, so restored to the Company, shall again be excepted and excluded from the lien and operation of the Indenture to the extent and otherwise as set forth in the Indenture;

TO HAVE AND TO HOLD all said properties, interests and rights, of every kind, real, personal or mixed, hereby granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over, warranted or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining, unto the Trustees and their successors in the trust and assigns forever;

SUBJECT, HOWEVER, to Permitted Encumbrances and, with respect to any property hereafter acquired by the Company and constituting part of the Trust Estate, but only if and to the extent permitted by the last paragraph of Section 7.04 of the Indenture, to all easements, liens, encumbrances, reservations, exceptions and other rights affecting such property at the time of acquisition thereof.

IN TRUST NEVERTHELESS, under and subject to the conditions in the Indenture set forth, for the equal and proportionate benefit and security, without priority or preference because of prior issuance or otherwise, of all holders of the Bonds or coupons now or hereafter issued under and secured by the Indenture, and for the enforcement of the payment of the principal of the Bonds, and the premium, if any, and the interest thereon, when payable, and for the performance of and compliance with the covenants and conditions of the Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds or coupons.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Company, its successors or assigns, shall pay or cause to be paid the principal and interest payable in respect of the Bonds, together with the premium, if any, pay-

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able on the Bonds, at the times and in the manner stipulated therein and in the Indenture and shall keep, perform and observe all and singular the covenants and promises in the Bonds and the appurtenant coupons and in the Indenture expressed to be kept, performed and observed by and on the part of the Company, then this Forty-Second Supplemental Indenture, and the estates and rights hereby assigned, shall cease, determine and be void; otherwise they shall remain and be in full force and effect.

AND IT IS HEREBY COVENANTED AND DECLARED that all the Bonds are to be authenticated and delivered, and the Trust Estate is to be held and applied by the Trustees, subject to the covenants, conditions and trusts set forth in the Indenture as Heretofore Amended, the terms and provisions of which are hereby incorporated herein by reference, and to the further covenants, conditions and trusts hereinafter set forth, and the Company for itself and its successors and assigns does hereby covenant and agree to and with the Trustees and their successor or successors in such trusts, for the benefit of all present and future holders of Bonds and coupons, or any of them, as follows:

ARTICLE ONE

Section 1.01. The Company represents and warrants that, as of the date of execution of this Forty-Second Supplemental Indenture, it has good and marketable title (free and clear of any liens other than the lien of the Indenture and permitted Encumbrances) to all the properties and interests in properties described in the Granting Clauses hereof, and the Indenture, together with all other instruments subjecting properties to the lien of the Indenture, constitutes a direct and valid first mortgage lien on all such properties and interests in properties as provided therein, subject only to Permitted Encumbrances. The Company represents and warrants that it has and covenants that it will continue to have, subject to the provisions of the Indenture, good right, full power and lawful authority to grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over, warrant and confirm to the Trustees all property of every kind and nature described or referred to in the Granting Clauses hereof (except any properties therein described as to be hereafter acquired by the Company) which by the provisions hereof is intended to be subject to the lien of the Indenture.

ARTICLE TWO

Section 2.01. This Forty-Second Supplemental Indenture is supplemental to the Indenture as Heretofore Amended and, pursuant to Article Eleven of the Indenture as Heretofore

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Amended, does and shall be deemed to form a part of, and shall be construed in connection with and as a part of, the Indenture for any and all purposes, including discharge of the Indenture as provided in Article Fifteen of the Indenture. Whenever the terms defined in Article One of the Indenture as Heretofore Amended are used in this Forty-Second Supplemental Indenture, such terms shall, unless otherwise defined herein, or unless the context shall otherwise require, have the respective meanings specified in the Indenture as Heretofore Amended.

ARTICLE THREE

Section 3.01. The Trustees severally for themselves and their respective successors hereby accept the trust created by this Forty-Second Supplemental Indenture upon the terms and conditions set forth in the Indenture.

Section 3.02. The Trustees shall not be responsible in any manner whatsoever for the correctness of the recitals herein, all of which are made by the Company solely.

ARTICLE FOUR

Section 4.01. Although this Forty-Second Supplemental Indenture, for convenience and for the purpose of reference, is dated as of April 1, 1985, the actual date of execution by the Company and by the Trustees is as shown by their respective acknowledgements hereto annexed.

Section 4.02. In case any one or more of the provisions contained in this Forty-Second Supplemental Indenture should be invalid, illegal or unenforceable, in any respect, the validity, legality and enforceability of the remaining provisions herein shall not in any way be affected or impaired thereby.

Section 4.03. This Forty-Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 4.04. By execution hereof, the Company acknowledges receipt of a full, true and complete copy of this Forty-Second Supplemental Indenture.

IN WITNESS WHEREOF, Cascade Natural Gas Corporation has caused this Forty-Second Supplemental Indenture to be signed and acknowledged by its President or its Executive Vice President or one of its Vice Presidents, and its corporate seal to be hereto affixed and the same to be attested by its Secretary or one of its Assistant Secretaries; and The Chase

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Manhattan Bank (National Association), as Corporate Trustee under the Indenture, has caused this Forty-Second Supplemental Indenture to be signed and acknowledged by one of its Vice Presidents or Second Vice Presidents, and its corporate seal to be hereto affixed, and the same to be attested by one of its Assistant Secretaries or Assistant Treasurers; and J. A. Payne, as Individual Trustee under the Indenture, has duly executed and acknowledged this Forty-Second Supplemental Indenture.

CASCADE NATURAL GAS CORPORATION

By 

D. E. Bennett, Vice President -
Finance



Attest:

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In the Presence of:

Lerni Schuch
Antoinette Reese



THE CHASE MANHATTAN BANK
(National Association),
Corporate Trustee

By

[Signature]
Vice President

A. K. Chair

In the Presence of:

[Signature]
[Signature]

[Signature]
J. A. Payne, Individual Trustee

In the Presence of:

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Ken V. Fisher

G. McDonald

The Debtor's mailing address is:

Cascade Natural Gas Corporation
222 Fairview Avenue North
Seattle, Washington 98109

The address of the Secured Party from which security information is obtainable is:

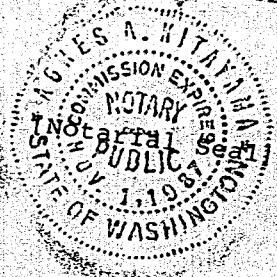
The Chase Manhattan Bank
(National Association)
One New York Plaza
New York, New York 10081

STATE OF WASHINGTON)
COUNTY OF KING) ss.

6185

On this 18th day of April, 1985, before me personally appeared D. E. BENNETT, to me known to be Vice President - Finance of CASCADE NATURAL GAS CORPORATION, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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

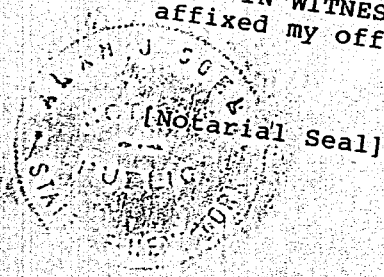


James A. Kitay
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

On this 25 day of April, 1985, before me personally appeared John A. Payne, to me known to be a Vice President of THE CHASE MANHATTAN BANK (National Association), one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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



Alan J. Soel
Notary Public
Notary Public, State of New York
No. 41-4737477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

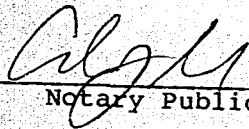
STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

6186

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

Given under my hand and official seal this 25 day of April, 1985.

[Notarial Seal]


Notary Public

ALAN J. SOEL
Notary Public, State of New York
No. 41-4737477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 25 day of April, 1985, before me, ALAN J. SOEL, a Notary Public in and for the State of New York, personally appeared J. A. PAYNE, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Given under my hand and official seal the day and year first above written.

[Notarial Seal]


Notary Public

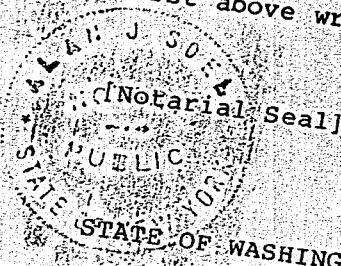
ALAN J. SOEL
Notary Public, State of New York
No. 41-4737477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

6187

On this 25 day of April, 1985, before me, ALAN J. SOEL,
personally appeared JOAN PAYNE, known to me to
be a Vice President of THE CHASE MANHATTAN BANK (National
Association), one of the corporations that executed the fore-
going instrument, and the person who executed said instrument
on behalf of said corporation, and acknowledged to me that
such corporation executed the same.

Given under my hand and official seal the day and year
first above written.

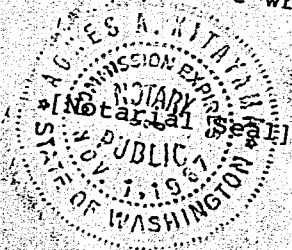


Alan J. Soel
Notary Public
ALAN J. SOEL
Notary Public, State of New York
No. 41-4737477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 18th day of April, 1985, before me, Agnes A. Kitayama
ton, personally appeared D. E. BENNETT, known to me to be
Vice President - Finance of CASCADE NATURAL GAS CORPORATION,
one of the corporations that executed the foregoing instru-
ment, and the person who executed said instrument on behalf of
said corporation, and acknowledged to me that such corporation
executed the same.

Given under my hand and official seal the day and year
first above written.

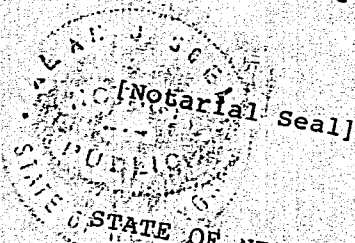


Agnes A. Kitayama
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

April X A.D. 1985

Personally appeared the above J. A. PAYNE and acknowledged the foregoing instrument to be his voluntary act and deed. Before me.

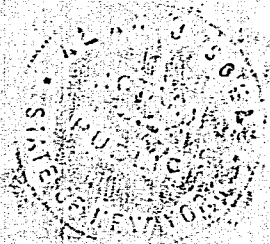


STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

April 25 A.D. 1985

Personally appeared J. A. PAYNE, who, being duly sworn, did say that he is a Vice President of THE CHASE MANHATTAN BANK (National Association) and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me.

[Notarial Seal]



Alan J. Soel
Notary Public

ALAN J. SOEL
Notary Public, State of New York
No. 41-4727477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

Alan J. Soel
Notary Public

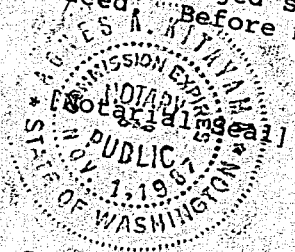
ALAN J. SOEL
Notary Public, State of New York
No. 41-4727477
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1987

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STATE OF WASHINGTON)
COUNTY OF KING) ss.
April 18th A.D. 1985

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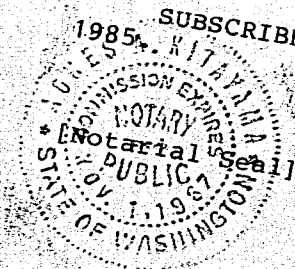
Personally appeared LUCILLE R. WALSH, who, being duly sworn, did say that she is the Secretary of CASCADE NATURAL GAS CORPORATION and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and she acknowledged said instrument to be its voluntary act and deed. Before me.



Agnes A. Kitayama
Notary Public

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 18th day of April, 1985, before me appeared D. E. BENNETT, to me personally known, who, being duly sworn, deposes and says that he is Vice President - Finance of CASCADE NATURAL GAS CORPORATION, a Washington corporation, and that the foregoing Forty-Second Supplemental Indenture dated as of April 1, 1985, amending and supplementing the First Mortgage and Deed of Trust dated as of April 1, 1956, as heretofore amended and supplemented, between Cascade Natural Gas Corporation and The Chase Manhattan Bank (now The Chase Manhattan Bank (National Association)), and Fred F. Voorhees (now J. A. Payne), as Trustees, has been made in good faith and without design to hinder, delay or defraud creditors.



SUBSCRIBED AND SWORN TO before me this 18th day of April, 1985.

Agnes A. Kitayama
Notary Public

STATE OF OREGON: COUNTY OF KLAMATH:ss
I hereby certify that the within instrument was received and filed for record on the 29th day of April A.D., 1985 at 12:48 o'clock P M, and duly recorded in Vol M85 of Mortgages on page 6165.
Fee: \$ 101.00
EVELYN BIEHN, COUNTY CLERK
by: *Pam Smith*, Deputy